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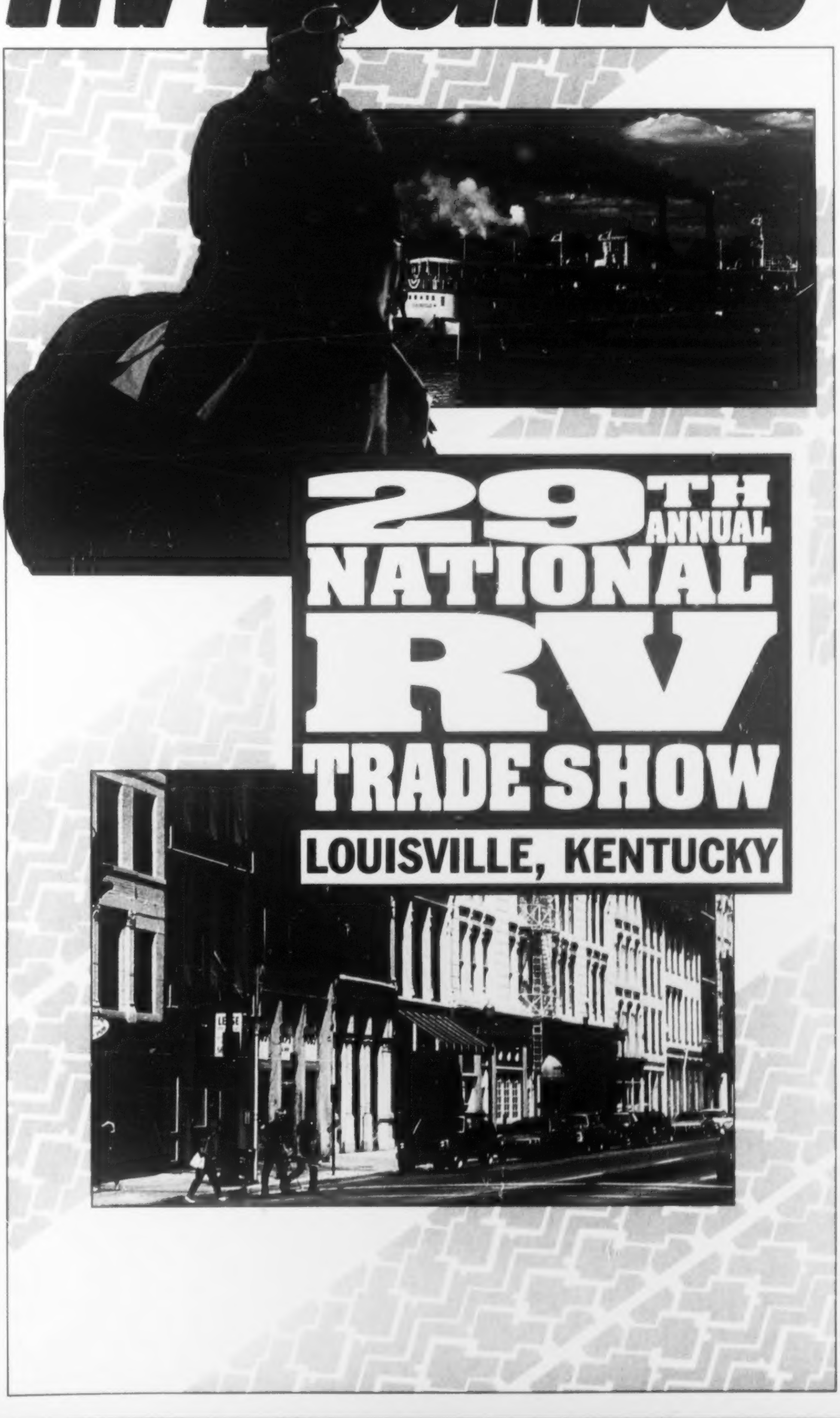

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LOUISVILLE, KENTUCKY

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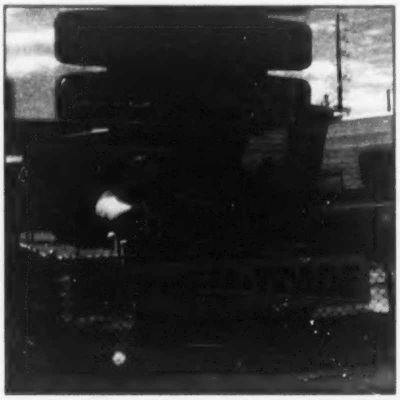

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JULY SALES POINT TO RECOVERY

THOMAS WALWORTH

Retail figures for the month of July 1991 reveal that the market continued to rally from its early '91 depths. While the RV-trailer market was off 9.64% year-to-date compared with the same period of 1990, that figure nonetheless represented a clear improvement from the June 1991 year-to-date deficit of 12.7%. July motorhome sales year-to-date were off 32.3% from the 1990 figure for the corresponding period, but that was better than their year-to-date lag in June of 34.9%.

RV-trailer sales during July 1991 surpassed those of the preceding July by 5.03%, marking the first month of 1991 that outsold the comparative month of the preceding year. *(See figures on page 26.)*

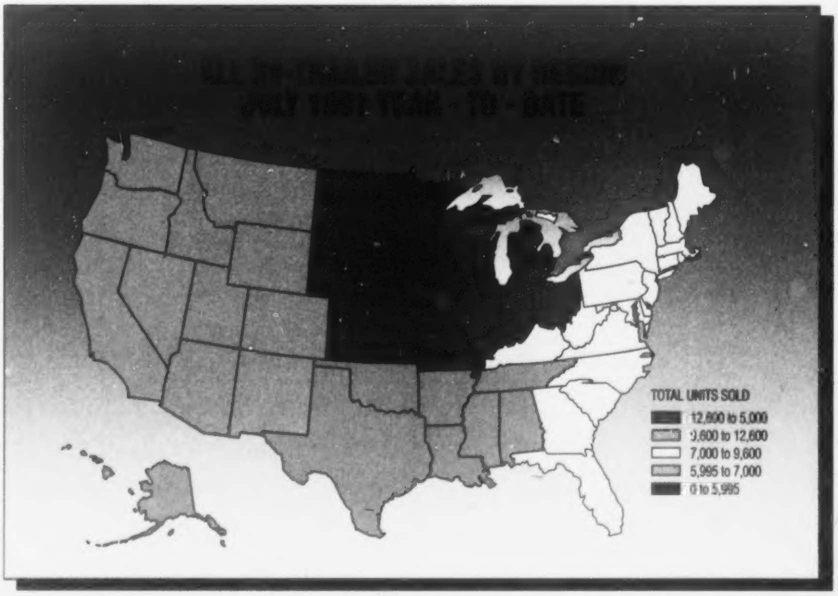
Using the July 1991 RV-trailer sales figures, the seven national regions have been ranked in Figure 1 according to their percent of change in sales from July 1990. Ohio, with the largest gain, led the East North Central region to the top of the chart. The South Atlantic region was bottom-ranked, with North Carolina suffering the largest loss in July.

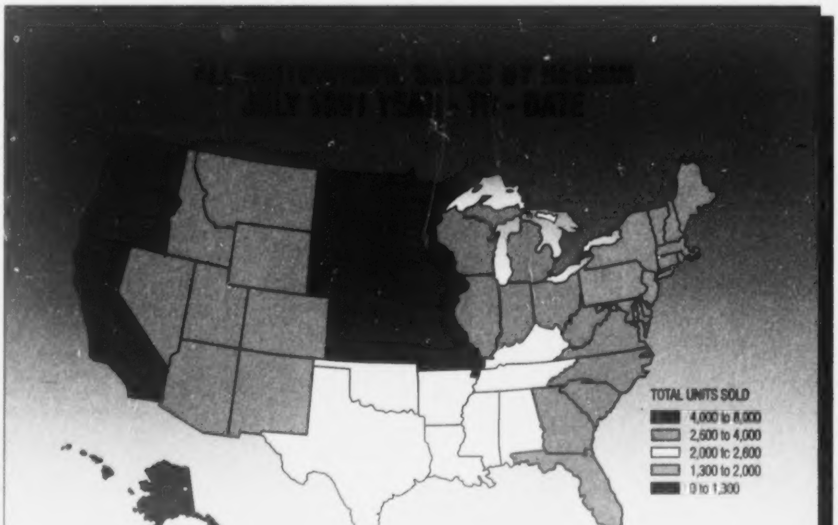
Year-to-date, the RV-trailer market dropped 9.64%, which translates to a decrease of 7,153 units from the total for the first seven months of 1990.

Figure 2 ranks the nation's regions according to percent change in RV-trailer sales between 1991 and the same period of 1990. The East North Central region secured the top place, led by Wisconsin, which showed the area's largest gain. The Northeast region had the poorest showing for the year-to-date, with the greatest drop occurring in New Hampshire.

Overall, the motorhome market was down in July by 20.1%, or 878 units, from that month in 1990. July's motorhome sales, by region, are reflected in the rankings shown in Figure 3. California, in the Pacific region, experienced the largest increase, while the South Atlantic region trailed the nation, with Delaware reporting the greatest drop.

Motorhome sales, year-to-date, were off by 32.3% as of July, or 9,887 units less than the tally for the first seven months of 1990. Figure 4 shows the seven national regions





East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

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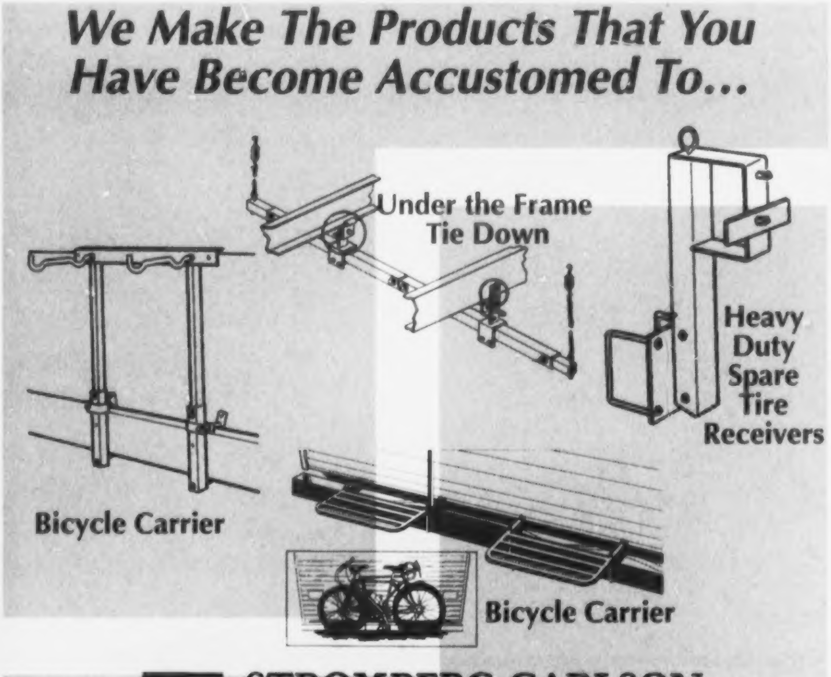
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ranked according to the percent change in their year-to-date motorhome sales compared with the same period of 1990. California forged the way for the Pacific region, which took the No. 1 ranking, while the South Atlantic region came in last place, with the state of Florida recording the largest decline.

RV TRAILERS, JULY '91

July '91 Rank	Region	% of Change From July '90	June '91 Rank
1	E.N. Central	16.6	6
2	Northeast	15.4	7
3	Mountain	15.2	4
4	Pacific	1.2	5
5	W.N. Central	–2.1	3
6	S. Central	–5.9	1
7	S. Atlantic	–7.4	2

Figure 1

RV TRAILERS, YEAR-TO-DATE

July '91 Rank	Region	% of Change Year-to-Date	June '91 Rank
1	E.N. Central	–.3	2
2	W.N. Central	–3.3	1
3	Mountain	–7.6	3
4	S. Central	–11.4	4
5	S. Atlantic	–11.8	5
6	Pacific	–12.3	6
7	Northeast	–18.2	7

Figure 2

MOTORHOMES, JULY '91

July '91 Rank	Region	% of Change From July '90	June '91 Rank
1	Pacific	–1.5	5
2	Northeast	–20.0	7
3	E.N. Central	–25.3	3
4	Mountain	–28.4	2
5	S. Central	–34.5	1
6	W.N. Central	–35.5	4
7	S. Atlantic	–36.3	6

Figure 3

MOTORHOMES, YEAR-TO-DATE

July '91 Rank	Region	% of Change Year-to-Date	June '91 Rank
1	Pacific	–24.4	1
2	W.N. Central	–30.6	2
3	E.N. Central	–31.9	3
4	Mountain	–33.2	4
5	S. Central	–34.7	5
6	Northeast	–41.3	7
7	S. Atlantic	–42.6	6

Figure 4

July sales demonstrated that the RV industry was working its way out of the worst retail market in the last 10 years, with the RV-trailer market coming back to top its pre-Gulf War totals of July 1990. Starting in August, sales are expected to show a large rebound when compared with the wartime months of 1990. In sum, the industry is improving steadily – day by day, week by week, month by month. Δ

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

AUGUST SHIPMENTS SLIP SLIGHTLY

MORTON J. MARCUS

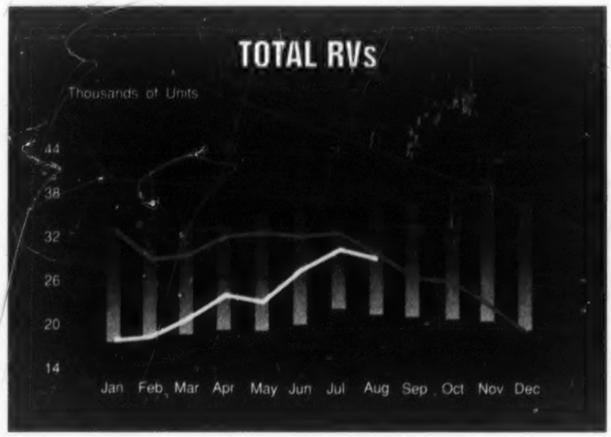


Figure 1

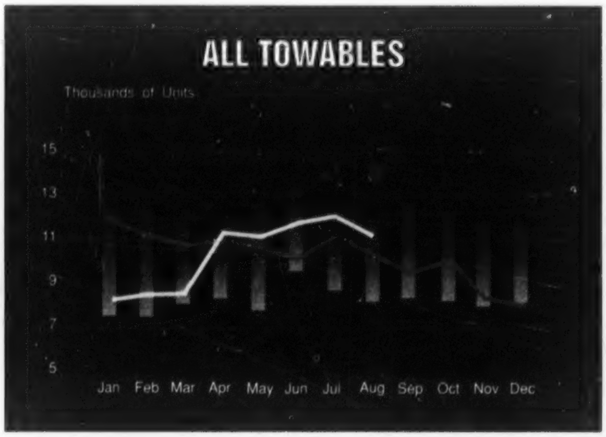


Figure 2

■ 1981-90 Shipment's Range
▨ 1990 Monthly Shipments
☐ 1991 Monthly Shipments

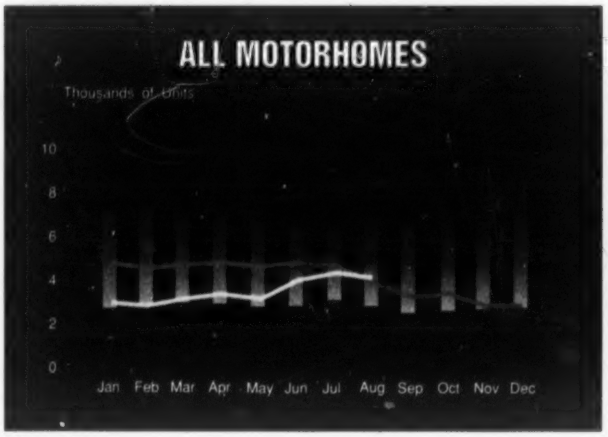


Figure 3

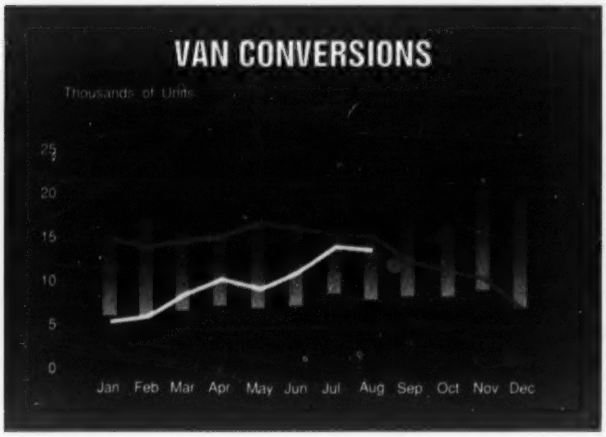


Figure 4

Over the years, I have been advised by readers of this monthly report on RV shipments both to "Tell us the good news" and to "Tell it like it is." Some readers encourage me to avoid any depressing news. Others believe that upbeat versions of the news must be inherently false – just some puffery to make the industry look good.

Fortunately, the editors and publisher of *RV Business* have never asked me to write in any particular manner. Their instructions are simple: Get the text in on time, be clear and don't be too wordy.

I make these comments because the truth is not clear and rarely simple. The data often leave us with many questions of interpretation. The latest shipment data from RVIA were a good example.

When adjusted for normal seasonal patterns, the August shipment data indicated a slight decline from July. *(See Figure 1.)* At 29,410 units, August was off by almost 6% from a month earlier. This was the second interruption in the dramatic rise from the recession's low reached in January. A similar decline occurred in May when total shipments fell 4.2% below those of April.

Up and down movements are to be expected. But with all of the talk in the press and on television about a second downturn in the American economy – the possibility of a "double dip" – any decline may be viewed as a signal.

When we reported the May slippage, we noted that the downward movement had not taken shipments below the March numbers; that is, the decline was less than the climb of the previous month. Then in June and July, the industry advanced again.

Now we had another slippage of the same nature. The drop from July to August was not as great as the climb from June to July. As a result, we did not view this latest data with any alarm. It was not difficult to see a continuing, general rise in the data.

Motorhomes and van conversions told the same story: The decline in August was less than the rise in July. *(See Figures 3 and 4.)* Only towables indicated a decline greater than the previous increase. *(See Figure 2.)*

But this is where analysis becomes difficult. August towables were in fairly good shape. Look at Figures 2, 3 and 4 again. August was the fifth consecutive month in which towable shipments were greater than the same month in 1990. Motorhomes achieved that enviable position in August, but van conversions had yet to get back to last year's level in any month of 1991. All three major types of RVs were well within the three-year historical range for the month.

From this standpoint, the industry in August was down, but it is hard to make a negative case out of the available numbers.

A Closer Look

The August data were negative but only by small amounts. Note all the minus signs in Figure 5. But there were positive signs to be observed as well. Of greatest importance were the small numbers involved. In some cases, the percentages looked large, but they were in small-volume segments of the market.

For example, park models dropped down 190 units (27%) in August from July and 100 units (16.3%) from August 1990. This is a minor segment of the larger class of travel trailers, which was up from both the preceding month and the year-earlier levels. Hence, the effects on manufacturers and dealers were likely to be minimal.

The persistence of concern in the industry was, however, justified. With the exception of folding camping trailers, every type of RV shown in Figure 6 was down for the year-to-date. In total, after eight months, shipments in 1991 were running 23% below the corresponding point of 1990. But that is clearly the consequence of the recession, which hit the industry just at August in 1990 when Iraq crossed into Kuwait. The deficit in shipments, as of August, stood at 59,200 units for the year.

From there on out, however, the figures are expected to improve, and the year-to-date deficit is projected to be reduced in subsequent months. On into early 1992, comparisons will continue to be drawn between the weak conditions of the recession period and the four months that follow August. The overall industry picture will be improved because of the comparisons being made.

Short-term issues often receive the greatest attention, but the general picture of improvement that recent figures provide must be contrasted with the demoralizing sluggishness of the RV market over a longer period.

We can easily understand that shipments each month in 1991 have been below those of the same month a year earlier. The easy explanation would be, "Oh, that is just the recession and the climb out of it." But we would deceive ourselves by such an easy dismissal of the evidence.

In 1990, 10 of 12 months were below the same month of 1989. On top of that, in 1989,

RV SHIPMENTS – ANNUAL COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Year-to-Date 1991	Year-to-Date 1990	Difference Number	Difference %	% Market Share 1991	% Market Share 1990
TOTAL RVs	195,430	254,630	-59,200	-23.2	100.00	100.00
Travel Trailers:						
Conventional	32,510	36,410	-3,900	-10.7	16.64	14.30
Park Models	4,570	4,890	-320	-6.5	2.34	1.92
Fifth-wheels	18,170	19,740	-1,570	-8.0	9.30	7.75
All Travel Trailers	55,250	61,040	-5,790	-9.5	28.27	23.97
Folding Camping Trailers	22,190	21,900	290	1.3	11.35	8.60
Truck Campers	6,400	6,600	-200	-3.0	3.28	2.59
TOTAL TOWABLES	83,850	89,540	-5,690	-6.4	42.90	35.16
Motorhomes:						
Class A	15,650	21,740	-6,090	-28.0	8.01	8.54
Class B	2,600	4,080	-1,480	-36.4	1.33	1.60
Class C:						
Minis	8,700	9,850	-1,150	-11.6	4.45	3.87
Low-Profiles	320	480	-160	-33.8	0.16	0.19
Micro-minis	1,470	2,240	-770	-34.6	0.75	0.88
Class C Total	10,490	12,570	-2,080	-16.6	5.37	4.94
TOTAL MOTORHOMES	28,740	38,390	-9,650	-25.1	14.70	15.08
TOTAL TOWABLES & MOTORHOMES	112,580	127,930	-15,350	-12.0	57.61	50.24
Multiuse Van Conversions	82,850	126,700	-43,850	-34.6	42.39	49.76

Note: Data rounded to nearest 10 units, market-share percentages may not add to total because of rounding.

Figure 5

RV SHIPMENTS – MONTHLY COMPARISONS

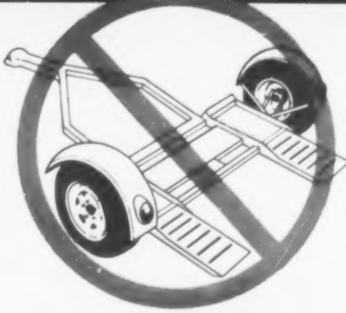
(Adjusted for seasonal variation)

Type of Units	Aug. '91	Change from Jul. '91 Number	Change from Jul. '91 %	Change from Aug. '90 Number	Change from Aug. '90 %
TOTAL RVs	29,410	-1,860	-5.9	-1,290	-4.2
Travel Trailers:					
Conventional	4,830	140	3.0	420	9.5
Park Models	530	-190	-27.0	-100	-16.3
Fifth-wheels	2,700	200	7.9	540	24.9
All Travel Trailers	8,050	140	1.8	850	11.9
Folding Camping Trailers	2,340	-790	-25.3	-290	-11.2
Truck Campers	850	-200	-18.8	-10	-1.0
TOTAL TOWABLES	11,240	-850	-7.0	550	5.2
Motorhomes:					
Class A	2,370	30	1.1	110	4.8
Class B	300	-40	-12.3	-210	-41.1
Class C:					
Minis	1,280	-180	-12.2	390	44.2
Low-Profiles	70	-100	-58.5	0	0.0
Micro-minis	200	-50	-20.6	-100	-33.8
Class C Total	1,550	-330	-17.4	290	23.0
TOTAL MOTORHOMES	4,220	-340	-7.5	190	4.7
TOTAL TOWABLES & MOTORHOMES	15,460	-1,190	-7.1	740	5.0
Multiuse Van Conversions	13,950	-670	-4.6	-2,030	-12.7

Note: Data rounded to nearest 10 units.

Figure 6

THE TOWING ALTERNATIVE



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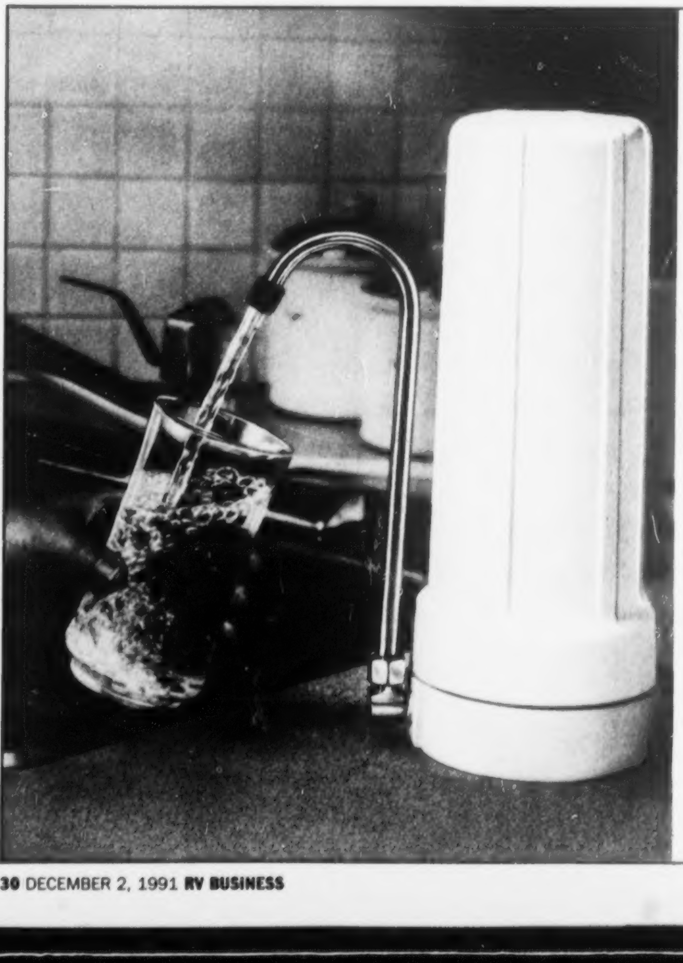
RVIA SHIPMENTS *continued*

we had the same experience: 10 of 12 months in that year below the corresponding month of 1988. In sum, 28 of the last 32 months failed to reach the level of the same month a year earlier.

Only twice since March of 1989 (in April and May of 1990) did the industry outperform its monthly shipments of the year before. This indicates a longer slide than just the recent recession. The serious problems in the American economy, which are easily reflected in the RV industry, were hidden from view by the euphoria of a long expansion. Now, in retrospect, it is easy to see that the nation's economic problems and the industry's are long-standing.

The election campaign of 1992 is now in progress. Let us hope that the candidates focus on the substantial problems of America, on the well-being of our people rather than on peripheral issues. Those side issues may stir our emotions, but they avoid dealing with the thin wallets of consumers and the weak balance sheets of our companies. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.



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- ☐ Calendar Of RV Shows And Events
- ☐ Alphabetical Listings of RV Makers, Van Converters, Suppliers, Distributors, Manufacturers' Reps and Service Firms

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SEPTEMBER '91 SHOWS RECOVERY

THOMAS WALWORTH

Continued improvement in RV retail sales was experienced during the month of September 1991. Although year-to-date figures still reflected a struggle, with an 8.2% drop in the RV-trailer market and a 23.1% decline in motorhome sales, the monthly statistics were looking better. RV-trailer sales during September were up by 3.2%, or 262 units, and motorhome sales for the month dipped only by 4%.

September 1991 RV-trailer market results are shown in Figure 1 *(see page 16)*, which ranks the seven regions of the nation according to their percent of change from sales in September 1990.

The state of Missouri, with the largest increase, set the pace for the West North Central region to lead the country in September. The Pacific region was a disappointment, with bottom-ranked California pulling in behind the rest of the nation.

Year-to-date, the RV-trailer market was down by 7,590 units, or 8.2%, from the same period of 1990. The national regions' 1991 year-to-date performance ranking is shown in Figure 2.

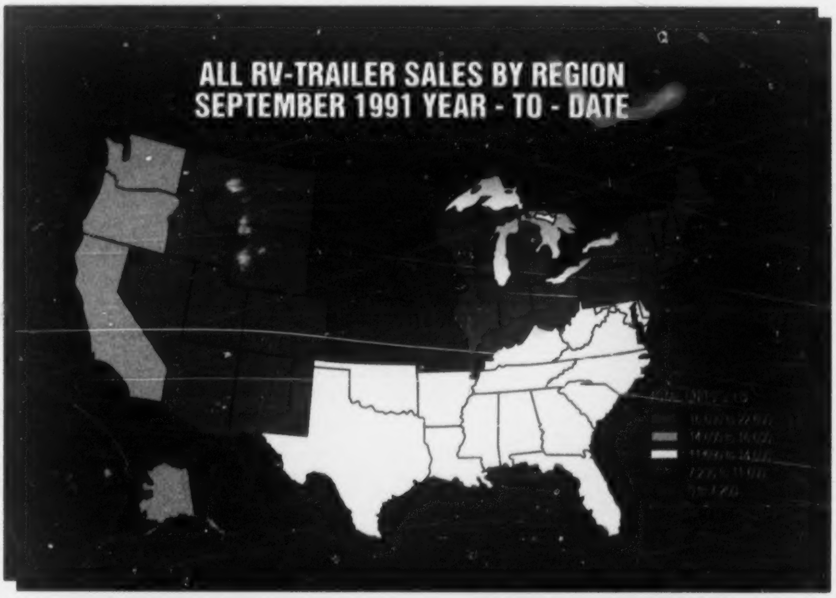
The largest gain over the period was seen in the top-placed West North Central region's North Dakota, while the state of New Hampshire suffered the greatest decline, bringing the Northeast to the bottom of the list.

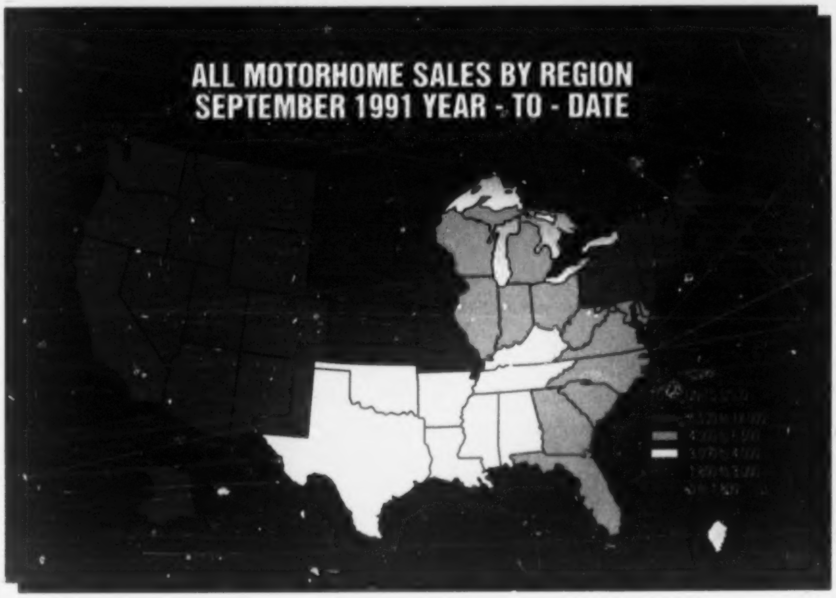
In motorhome sales during the month of September, a 138-unit decline, for a 23.1% drop, from the September 1990 level was recorded. Figure 3 ranks the country's seven regions by their September 1991 motorhome sales performance as compared with that of September 1990.

In the leading West North Central region, the state of Nebraska logged the largest gain in sales for September. Illinois, in the trailing East North Central region, suffered the month's greatest decline.

Over the first nine months of 1991, motorhome sales were off by 23.1%, or 9,143 units, from sales during the corresponding period of 1990. Figure 4 shows regional performance in year-to-date motorhome sales compared with that over the same period of 1990.

The smallest decline in motorhome


ALL RV-TRAILER SALES BY REGION
SEPTEMBER 1991 YEAR - TO - DATE


ALL MOTORHOME SALES BY REGION
SEPTEMBER 1991 YEAR - TO - DATE

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

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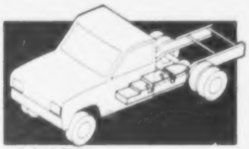
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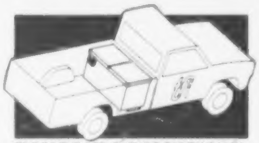
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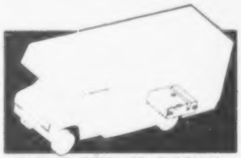
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sales, year-to-date, was experienced in the leading Pacific region, where California ranked highest. Maine, in the lagging Northeast, was hardest hit.

Encouragement is offered by the fact

RV TRAILERS, SEPTEMBER '91

Sept. '91 Rank	Region	% of Change From Sept. '90	Aug. '91 Rank
1	W.N. Central	15.7	2
2	S. Central	12.7	3
3	E.N. Central	11.8	4
4	Northeast	5.7	6
5	Mountain	4.5	5
6	S. Atlantic	−4.2	7
7	Pacific	−9.3	1

Figure 1

RV TRAILERS, YEAR-TO-DATE

Sept. '91 Rank	Region	% of Change Year-to-Date	Aug. '91 Rank
1	W.N. Central	−0.8	2
2	E.N. Central	−0.2	1
3	Mountain	−0.8	3
4	S. Central	−8.3	5
5	Pacific	−9.8	4
6	S. Atlantic	−11.3	6
7	Northeast	−16.2	7

Figure 2

MOTORHOMES, SEPTEMBER '91

Sept. '91 Rank	Region	% of Change From Sept. '90	Aug. '91 Rank
1	W.N. Central	8.0	1
2	Pacific	4.9	3
3	Mountain	1.6	2
4	S. Central	−6.7	7
5	Northeast	−8.0	6
6	S. Atlantic	−9.5	5
7	E.N. Central	−13.6	4

Figure 3

MOTORHOMES, YEAR-TO-DATE

Sept. '91 Rank	Region	% of Change Year-to-Date	Aug. '91 Rank
1	Pacific	−16.8	1
2	W.N. Central	−18.1	2
3	Mountain	−20.7	4
4	E.N. Central	−21.8	3
5	S. Central	−23.2	5
6	S. Atlantic	−32.3	7
7	Northeast	−32.8	6

Figure 4

that September numbers, overall, showed the RV market turning the corner to head back on the trail to recovery. The gap in retail sales from year-end 1990 figures demonstrated the worst of the market slump. However, motorhomes could close out the year by narrowing that gap to 15% of 1990's market. Δ

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

SPECIAL FACTORS BOOST RV INDUSTRY FORECAST FOR 1992

MORTON J. MARCUS

Forecasting with the aid of an econometric model can be fascinating. The model can provide very unexpected results. The latest RV industry forecast is far more bullish than might be expected.

Based on relationships over time, econometric models are very conservative because they assume that past relationships still hold and can be depended on in the future. But we all know that human relationships are not stable, whether in business or in our personal lives. Hence, models, similarly, tend to be wrong if basic relationships change.

The question before America today is "Have basic relationships changed?" Some people will scream "YES, things are not what they used to be!" while others will nod sleepily and remember that "Spring seems to follow winter each year, but some folks are always surprised, as if it never happened before."

> *The latest RV industry forecast is far more bullish than might be expected.*

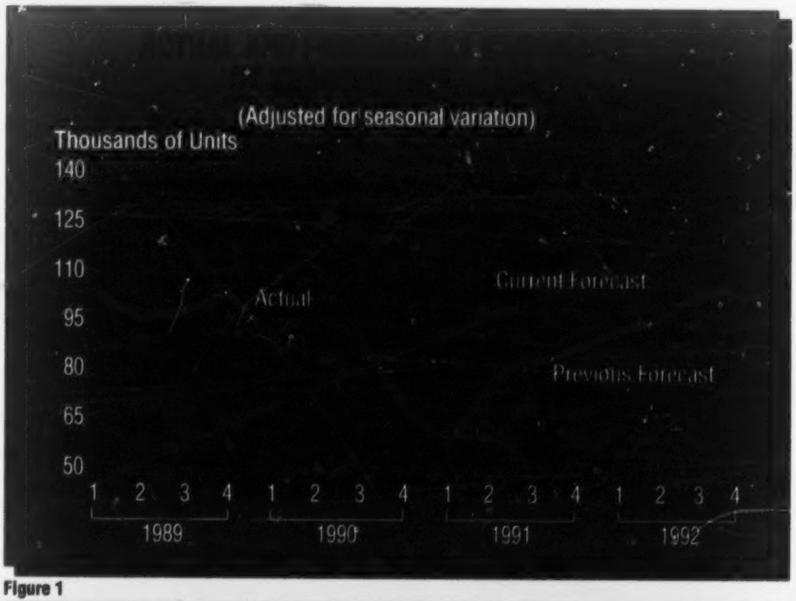

Figure 1

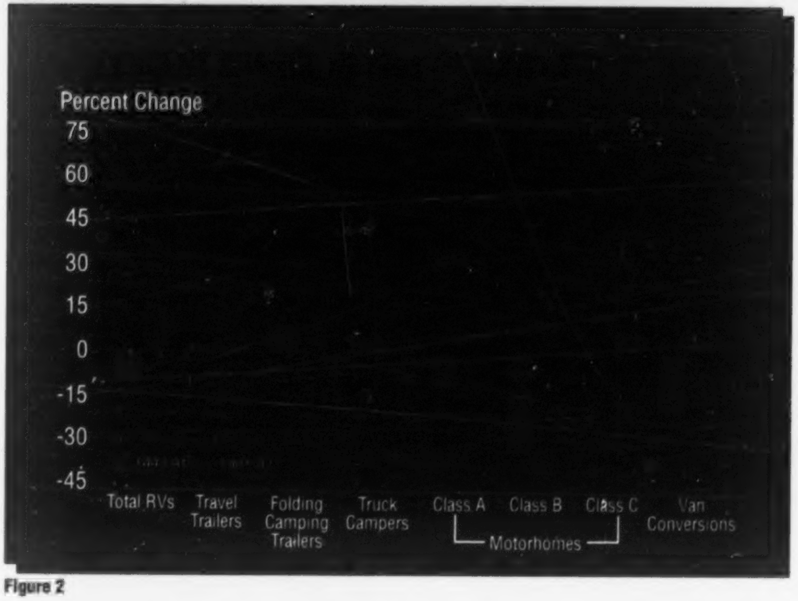

Figure 2

The RV Forecast

Our last RV forecast, based on the Indiana University econometric model, was too conservative: We expected to ship 83,100 units in the third quarter of 1990, and 87,700 were actually shipped. That improved performance in the third quarter boosts our forecast for the remainder of 1991 and 1992, as shown in Figure 1.

This new forecast seems remarkably optimistic since it calls for major growth in the RV industry in a year that everyone, ourselves included, is expecting to be very sluggish. How can it be that the RV forecast our model now yields is so bullish? Why do we now expect over 420,000 units shipped in 1992 rather than the 390,000 units forecast just two months ago?

Before the answers to those questions, let's look at the industry in detail. Although we expect all types of RV shipments to improve next year, not every type is as strong in this forecast as in our previous effort.

There are shifts which are worth noting.

Figure 2 shows each type of RV shipment will improve, some very strongly in 1992 after either declines or just modest gains in 1991. But this version of our forecast is less bullish on folding camping trailers and Class B motorhomes. All other forms of RV units are now expected to do better in 1992 than we had previously expected.

These are the results of the model. The conventional wisdom as these words are written is that the American economy and the RV industry are in serious trouble. Within the industry, there is a sense of great concern. Within the nation, the recession is regarded as a major calamity. Both views are contrary to what a rational person would conclude from the evidence, but no one says that RV industry people or Americans in general are rational.

Let's look at the evidence. We are now forecasting 314,700 units for 1991. That is down 10.2% from 1990, which was down 11.4% from the 395,400 units of 1989. Sounds pretty bad, until you look back to 1980, 1981 and 1982. In those years, the industry shipped 188,000, 239,000 and 258,000 units, respectively. Is there anyone in the industry today who survived and remembers those bleak days? The weak years of this recession do not match the low years of the early 1980s.

ANNUAL GROWTH RATES AFTER ADJUSTMENT FOR INFLATION

	1990	1991	1992
		– Forecast –	
Gross National Product	1.0	–0.5	1.8
Consumer Spending	0.9	0.4	2.1
Business Investment	1.8	–2.3	5.0
Residential Investment	–5.4	–11.4	9.3
Exports	6.4	3.7	3.3
Imports	2.8	1.4	8.9
Govt. Purchases			
Federal	2.6	0.5	–3.0
State & Local	3.0	0.4	0.0

Figure 3

KEY FACTORS IN THE FORECAST

	1990	1991	1992
		– Forecast –	
Prime Interest Rate (%)	10.0	8.5	6.7
Value of the Dollar (1973 = 100)	89.0	90.9	93.0
Unemployment Rate (%)	5.5	6.7	6.9
% Change at Annual Rates:			
Money Supply (M2)*	5.2	3.0	4.4
Real Disposable Personal Income	0.9	–0.4	1.6
Consumer Price Index	5.4	4.3	4.0
Food & Beverages	5.7	3.6	2.4
Motor-Fuel Prices	14.3	–1.7	0.7
Medical care	9.1	8.8	7.3

*M2 consists of the nation's basic money supply of currency, plus demand deposits, plus savings accounts at commercial banks.

Figure 4

The National Forecast

The same lack of perspective infects the national discussion of this recession. This current weak economy is not a disaster comparable with the early '80s. The economy lacks the strength all of us wish it would have, but America is not a feeble, drunken giant struggling to stay on its feet.

> *Each type of RV shipment will improve, some very strongly in 1992 after either declines or just modest gains in 1991. But this version of our forecast is less bullish on folding camping trailers and Class B motorhomes. All other forms of RV units are now expected to do better in 1992 than we had previously expected.*

Our forecast for 1992 is one of improvement, but not strength. The total value of all goods and services produced by the U.S. economy, after adjustment for inflation, is measured by the real gross national product (real GNP). After a decline of one-half of 1% in 1991, we expect a very slow recovery of just 1.8% in 1992. *(See Figure 3.)*

Consumer spending will grow a little better at 2.1%. Both business investment and residential investment will advance smartly, after poor performances for the past few years. Improved consumer spending will help imports, while exports, which have been a small bright light in the past two years, will not grow as rapidly as in the recent past. Government, at both the federal and local levels, will not contribute any stimulus.

ANNUAL TRENDS

	1990	1991	1992
		– Forecast –	
Unit Auto Sales (millions)	9.51	8.57	9.48
Unit Housing Starts (millions)	1.20	1.01	1.24
Personal Savings Rate (%)	4.57	3.98	3.73
% Change in Compensation per Manhours	3.45	4.02	4.45
Productivity	–0.44	0.74	0.63
Unit Labor Costs	3.89	3.28	3.82

(Compensation – Productivity = Unit Labor Costs)

Figure 5

Several special factors pertinent to the RV industry are shown in Figure 4. First, note the expected decline in the prime rate of interest. This follows other downward interest-rate movements, which tend to be very favorable for the RV industry. In addition, an improvement in real disposable income tends to increase RV shipments. Finally, the increase in motor fuel prices in 1992 is expected to be low and well below the general increase in consumer prices. This is always a favorable factor for RVs. The anticipated improvements in auto sales and housing starts (Figure 5), plus a moderate underlying cost-push factor (unit labor costs), all give positive indications for a revived economy.

Clearly, a better showing in many of the factors appearing in Figures 3 through 5 would be still more encouraging. The forecast presented here is neither gloomy and discouraging nor wildly optimistic. The gain of 34% for total shipments in 1992 falls short of the 39.5% increase of 1983.

All of this is based on our forecast, which rests on past relationships. If the world of 1992 is truly very different from the record of our national economy, then we are likely to be in error. But at this time, we have no conclusive evidence that there have been such radical shifts in the American economy. Some self-appointed seers may magnify important changes into excessively dramatic trends, but America needs persistent effort more than it needs such seers at this time. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.

RV BUSINESS

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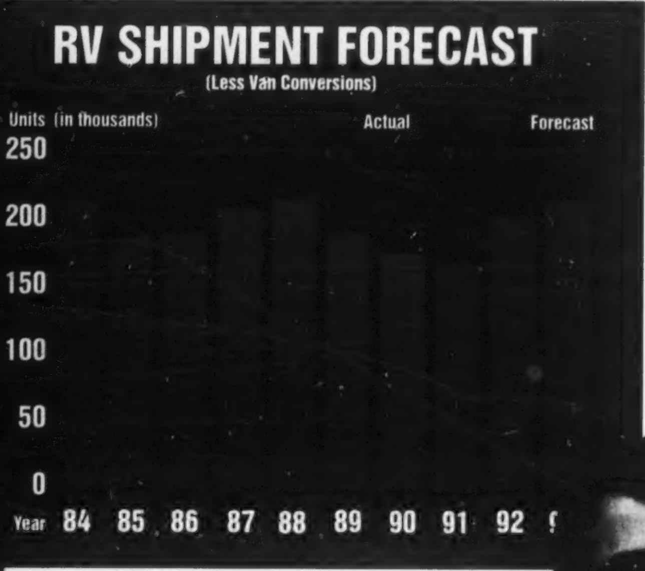
Tow-Equipment Trends and Hitch Directory 43



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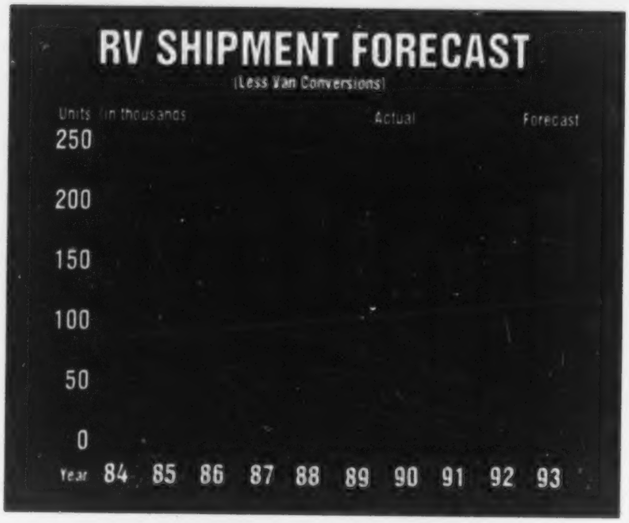
'93 Shipments Forecast to Match '88 High



Annual RV shipments, less van conversions, are forecast to grow to some 221,400 units by 1993, or very close to the previous high point of the last decade: 223,100 shipments in 1988. This scenario is the upbeat prediction of John DeWolf, economic consultant to RVIA, in his final quarterly forecast of 1991.

Specifically, DeWolf foresees the pickup that began in mid-1991 pushing '91 shipments to 172,400, just 4.4% behind '90. Then 1992 is projected to record a 20% or slightly higher gain to reach 207,600 units, followed by a 6%-7% shipments increase during 1993.

Shipments of towables are expected to lead the upswing, finishing 1991 ahead by 400 units or so, and then to leap forward by 18% in 1992 and 5%-6% in 1993. Motorhome shipments for 1991, in contrast, will lag 1990's level by a big 16%. But motorhomes will then pick up their pace for a 28% increase in 1992 and almost a 9% rise in 1993.

In detail, Class A motorhomes will go from 24,500 shipments in 1991, to 32,700 units in '92 to 36,100 units in '93, although they will trail their 1988 peak of 41,500. Class C's will improve from 15,700 shipments in 1991 to 20,000 units in 1993 but will still be lagging considerably behind the level of 26,200 shipped in 1988.

Folding camping trailers are forecast to rise to 32,700 shipments in 1991, followed by 37,400 units in '92 and 40,600 in '93, placing these units far above their 30,700-unit low in 1990. Travel trailers (conventional, fifth-wheel and park) will dip slightly to 86,000 shipments in 1991 and then rebound to 107,700 units by 1993.

Truck-camper shipments are expected to rise 1% to 9,800 units for 1991, and then to grow 14% this year and another 7% next year.

Van conversions are showing signs of recovery at last, and they are predicted to head for an all-time high of 206,000 units shipped in 1993, ahead even of the 204,200 units of the previous 1988 peak. Conversions will be starting off in the hole, down to 134,000 shipments in 1991, or 23% behind 1990. But 1992 will see a 35% increase, followed by another 14% gain in '93. Δ

Motorhome-Chassis Makers Predict '92 Upturn

Motorhome-chassis makers are predicting a market upturn this year, based on better-than-expected orders and a rebound in the economy.

"Everybody came back from last year's Louisville Show more positive than when they went in," remarked Jerome Mittman, RV sales manager for Ford Motor Co., Dearborn, Mich. "The new-vehicle order situation is better than anticipated."

"The Louisville Show was better than most people expected," concurred Jim Green, General Motors Corp.'s Chevrolet Motor Division assistant RV sales manager in Warren, Mich. He cited booming exports as a particularly bright spot.

Both GM and Ford also anticipate the economy as a whole to rebound by the second half of 1992, further supporting RV demand. Their outlook is backed by chassis makers outside Detroit, too. "We're optimistic that many of the current recessionary fears will be resolved by spring," agreed Al Castrodale, director of marketing, sales and service for Oshkosh Truck Corp., Oshkosh, Wis. "All the fundamentals (for the motorhome market) are favorable to a further upturn."

> "We're optimistic recessionary fears will be resolved by spring."

And motorhome makers generally concurred with those readings. "We're very optimistic, with a degree of caution," said Bill Toy, sales director for Riverside, Calif.-based Fleetwood Enterprises Inc.'s Motor Home Division. "With interest rates where they are, there's really no reason why there shouldn't be an upturn. There will definitely be an upturn in shipments because dealer inventories are so low that, if the retail business is what we think it will be, it will motivate them to stock up."

Overall, RV-industry officials foresee 30,000 Class A shipments this year, slightly ahead of 1990's 29,000 units and significantly better than the 25,000 Class A's shipped in calendar 1991, according to manufacturers' estimates. Most of the 1991 decline occurred during the first quarter's Mideast War, with the market improving since then.

Within the chassis market, Ford expects to continue gaining ground with its Super

Market Trends

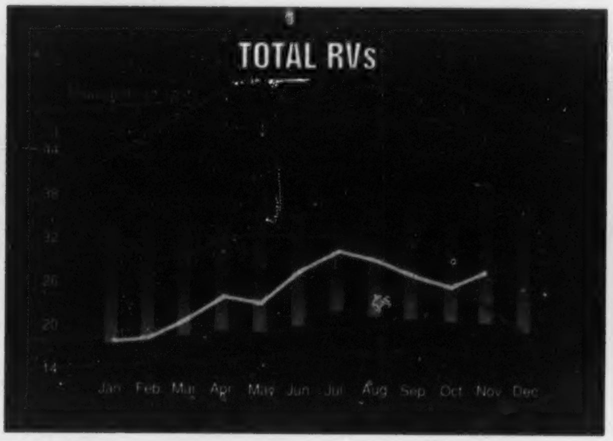


Figure 1

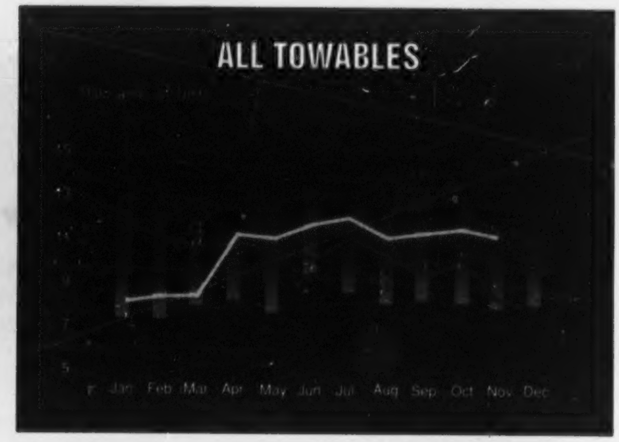


Figure 2

■ 1981-90 Shipments Range
■ 1990 Monthly Shipments
□ 1991 Monthly Shipments

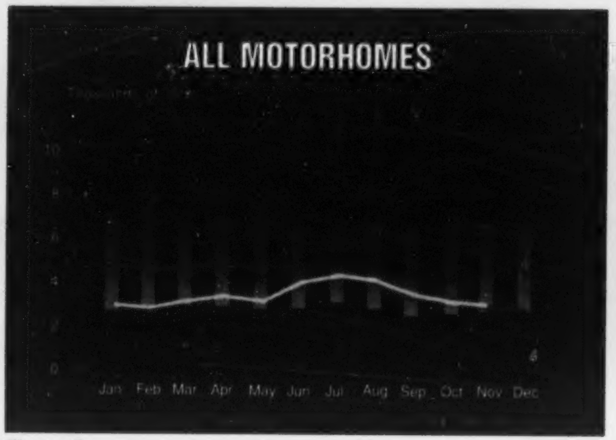


Figure 3

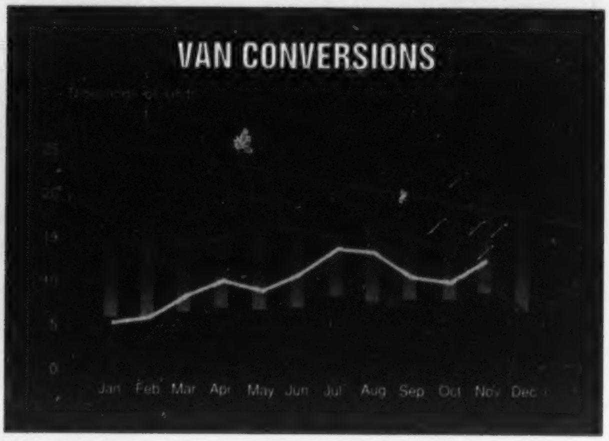


Figure 4

ANNUAL & MONTHLY COMPARISONS OF SHIPMENTS

Type of Units	Nov. '91	% Change From Oct. '91	% Change From Nov. '90	Year-to-Date 1991	% Change From '90	% Market Share '91
TOTAL RVs	27.880	6.7	21.6	276.560	-16.5	100.00
Travel Trailers:						
Conventional	4,290	1.4	20.0	45,790	-4.6	16.56
Park Models	690	13.5	20.4	6,390	-3.5	2.31
Fifth-wheels	2,560	-4.5	18.5	26,290	0.8	9.51
All Travel Trailers	7,530	0.3	19.6	78,460	-2.7	28.37
Folding Camping Trailers	3,070	-9.5	59.0	31,200	8.2	11.28
Truck Campers	630	-30.0	0.0	8,740	-2.2	3.16
TOTAL TOWABLES	11.230	-4.8	26.8	118.410	-0.1	42.81
Motorhomes:						
Class A	1,860	-7.8	13.5	21,750	-19.8	7.86
Class B	230	2.5	-50.4	3,270	-39.7	1.18
Class C						
Minis	1,080	4.8	33.3	12,030	-4.5	4.35
Low-profiles	0	0.0	0.0	420	-13.5	0.15
Micro-minis	270	48.2	0.0	2,030	-34.5	0.73
Class C Total	1,350	11.4	25.1	14,470	-10.5	5.23
TOTAL MOTORHOMES	3.440	-0.4	8.2	39.490	-18.9	14.28
Multiuse Van Conversions	13,200	21.4	21.2	118,660	-27.6	42.91

Conversions Lead November Shipments

For November 1991, shipments as reported by RVIA and then seasonally adjusted, showed RVs on a growth path, up from the previous month and from November 1990. Van conversions led the climb, with shipments considerably ahead of both October '91 (21.4%) and November 1990 (21.2%). Towables were down from October 1991 by 4.8% but up from November 1990 by 26.8%. Motorhomes, down 0.4% from October, remained ahead of November '90 by 8.2%. (See Figures 1-4 and table.) While RV shipments year-to-date were 16.5% behind 1990, this was a narrowing from August's 23.2% year-to-date gap. Δ

Statistical data is supplied by Morton J. Marcus, director of the Indiana Business Research Center at Indiana University School of Business and a member of the faculty.

October '91 Sales Underscore Rebound

ALL RV-TRAILER SALES BY REGION
OCTOBER 1991 YEAR-TO-DATE

ALL MOTORHOME SALES BY REGION
OCTOBER 1991 YEAR-TO-DATE

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain:** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast:** Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific:** Alaska, California, Oregon, Washington, Hawaii; **South Atlantic:** Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central:** Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

Good news greeted the RV industry with the retail sales figures for October 1991, which verified a continued comeback in market activity.

While the RV-trailer market year-to-date was off by 6,737 units, or 6.82%, compared with the first 10 months of 1990, there was a clear improvement on the 8.2% year-to-date deficit recorded in September. In fact, October's RV-trailer sales were actually up by 407 units, or 6.5%, over October 1990.

Motorhome sales were down 20.9% for the year-to-date as of October 1991 – yet, again, that was a narrowing of the 23.1% cumulative gap from the preceding month. And for the month of October, the motorhome market was off by just 100 units, or 3.47%, compared with October 1990.

Overall, sales figures showed that RV markets had rebounded by more than 50% from their low point in the spring of 1991. That is especially refreshing since such improved retail numbers indicate stronger wholesale shipments to come.

Regional retail sales for October 1991 are described in figures 1-4, which rank seven regions of the nation based on their performance. Δ – *Thomas Walworth*

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

RV TRAILERS, OCTOBER '91

Oct. '91 Rank	Region	% of Change from Oct. '90	Sept. '91 Rank
1	W.N. Central	21.2	1
2	South Central	21.0	2
3	Northeast	8.6	4
4	E.N. Central	8.2	3
5	Mountain	3.4	5
6	Pacific	-1.8	7
7	South Atlantic	-3.0	6

Figure 1

RV TRAILERS, YEAR-TO-DATE

Oct. '91 Rank	Region	% of Change Year-to-Date	Sept. '91 Rank
1	W.N. Central	2.8	1
2	E.N. Central	.7	2
3	Mountain	-6.0	3
4	S. Central	-6.4	4
5	Pacific	-9.1	5
6	S. Atlantic	-10.6	6
7	Northeast	-15.0	7

Figure 2

MOTORHOMES, OCTOBER '91

Oct. '91 Rank	Region	% of Change from Oct. '90	Sept. '91 Rank
1	Pacific	14.5	2
2	W.N. Central	-1.9	1
3	E.N. Central	-9.8	7
4	S. Central	-9.9	4
5	S. Atlantic	-13.6	6
6	Mountain	-17.7	3
7	Northeast	-18.8	5

Figure 3

MOTORHOMES, YEAR-TO-DATE

Oct. '91 Rank	Region	% of Change Year-to-Date	Sept. '91 Rank
1	Pacific	-14.4	1
2	W.N. Central	-16.1	2
3	Mountain	-19.9	3
4	E.N. Central	-20.4	4
5	S. Central	-21.4	5
6	S. Atlantic	-30.5	6
7	Northeast	-30.9	7

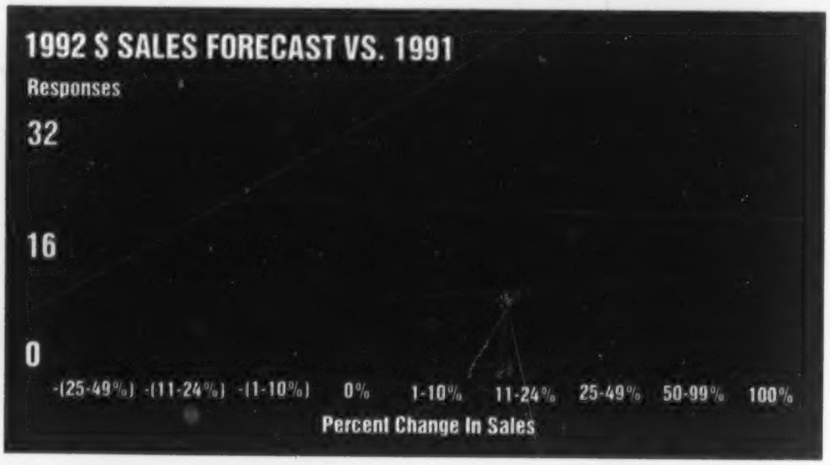
Figure 4

Dealer Survey Reveals Upbeat Outlook

An informal survey of 100 dealers interviewed during the National RV Trade Show in Louisville, Ky., Dec. 3-5, 1991, suggests that 1992 will be a significantly better year for the RV industry.

Here are some survey highlights:

- Fifty-four dealers described their business profits at the time of the Louisville Show as "better" than three years earlier, and an additional six dealers characterized their business as "much better."
- When it came to projecting 1992 dollar sales, 32 dealers believed that dollar volume would be 1% to 10% higher than in 1991. Another 23 dealers predicted that sales would be 11% to 24% higher, and 13 more said they expected sales to increase from 25% to 49%.
- Asked about inventory levels at year-end, 36 dealers described their inventories as "low," while 44 said inventory levels were "medium." Only 19 called their inventories "high."



RV dealers surveyed for this informal profile and projection of inventory and revenue levels are from across the United States as well as from Canada. Michigan, providing 12% of respondents, is most heavily represented, followed by Wisconsin (6%), New York and Ontario (each with 5%). The North Central area, as a whole, was represented by approximately 40% of dealers interviewed, South Central states by 14%, the Northeast by 12% and Canada by 15%.

Several dealers even found the silver lining in 1991's recessionary cloud: They said they are confident about 1992 because the recession put many of their competitors out of business, leaving them with larger shares of their hometown markets.

Many also said they believe that the attractive 1992 models being introduced at the Louisville Show will draw customers to their lots. "The new products, better prices and designs will get the 1985- and 1986-model buyers to trade in," asserted Jim Lawson of Holiday World, Houston, Texas.

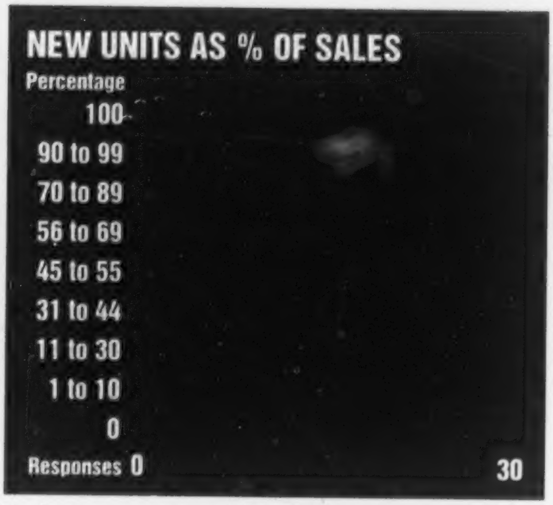
In general, dealers were very upbeat about 1992 prospects. "This year will be awesome," declared Ken Kruh of Al's Trailer Mart Inc., Grand Rapids, Mich. "We were extremely busy in September and October 1991. We're going up, up and up."

"The bad times have passed," agreed Lionel Goulet of Camping In Style, Norland, Ontario. "Manufacturers have seen the light and lowered their prices, so we can pass that savings on."

Ron Kitsmiller of Kitsmiller Sales, Lansing, Mich., said he believes 1992 will be the beginning of an extended period of prosperity for the industry. "I'd like to think it (total RV-industry sales volume) will be up 25% in '92, with steady growth after that," he said.

"I'm optimistic," chimed in Marion Webb of Coach & Campers of Atlanta, Tucker, Ga.

> "It can only get better. And it will be outstanding once the economy gets turned around because interest rates are low, and the product is outstanding."



"As long as gas is available, people will travel." He added that Coach & Campers had seen "a tremendous increase in diesel sales" in the past year, and he believes that the emerging trend to diesel-powered motorhomes will continue to grow.

Some dealers said they are counting on aftermarket service and RV rentals to compensate for any continued weakness in '92 new-unit sales. "Rentals will go way up," predicted Bud Stolle of Spence's Camper Sales, Stonington, Conn. "You have to sell camping, and you rent to sell."

Other dealers were more cautious about 1992, arguing that general economic conditions will have to improve before the RV business will get appreciably better. Yet Ron Barrows of Blaine Winnebago, Blaine, Minn., was quick to add, "It can only get better. And it will be outstanding once the economy gets turned around because interest rates are low, and the product is outstanding."

Dealers in the Northeast tended to be among the more conservative, reflecting the tougher economic times there. "1992 and 1993 (sales) will be level with 1991; significant increases won't occur until late '93 or '94," opined Ron Stoddard, co-owner of J&M Camper Sales, Augusta, Maine.

But dealers in other parts of the country said they have been relatively unaffected by the recession. RV sales in 1992 "will be good in my area because we deal with a lot of retirees, and their incomes are fixed," explained Bob Marshall of Marshall's RV Center, Kemp, Texas. "And low interest rates (affecting retirees' incomes) haven't hurt sales as I expected. People still will travel."

Overall, the nonscientific RVB survey included dealers from 36 states and six Canadian provinces. Michigan was the home state of the largest number of dealers questioned at 12. Wisconsin was represented by six dealers, and five of the dealers came from New York and Ontario each. Taking a look at product mix reported by dealers surveyed, just 23% of them said towables comprise 100% of their inventory, although a high proportion (79%) said towables comprise more than 55% of their inventory. Only 3% relied solely on sales of motorized units. Approximately 40% of dealers said used units make up one-third to one-half of their inventory, while over 50% reported a larger proportion. Δ—*Jeff Kurowski*

Village RV Boosts Sales With Ambitious Road-Show Program

RV malls and well-organized road shows are familiar marketing tactics for California RV dealers, but one dealer, Village RV Inc., East Irvine, Calif., has expanded its road-show network to fill nearly every weekend.

Steve Austin, general manager of Village RV's East Irvine dealership, said he believes "Village is the first dealer out on its own at this level. No other dealer is chasing quite as hard."

Heading up Village RV are owners Bruce Cooper, president, and Ray Johns, vice president. Village RV opened in January 1989, with the road shows commencing in mid-1990. Village RV's main office is based in Traveland U.S.A., an East Irvine RV mall that houses approximately 50 dealers. Village also has branches in the California cities of Camarillo, Carson, Colton, Davis and Fairfield, and it plans future branches for Arizona and Southern California.

The Village RV road-show group consists of two primary show teams, one for Southern California and one for Northern California. Each team consists of two managers, two service employees, 12 salespeople, and 20 transportation department employees, with extra sales assistance for larger shows.

Average attendance at the small shows ranges from 300 to 500, and weekend attendance at the big shows can reach 2,500. The smaller shows, averaging four days in length, are generally based in warehouses or mall parking lots. "We try to be at a mall at least three weekends per month," Austin said. Larger shows, averaging nine days including two weekends, are usually held in stadiums, and take place monthly throughout California. They often feature 10 other dealers. Most of Village RV's road shows are confined to California, but Austin said the dealership "sometimes goes as far as Utah."

As a result of its show efforts, Austin said that show sales can exceed local store sales in some months. Placing Village RV as the top California dealer for motorized RVs, Austin concluded that the "road crew brought us to there." Δ—*Coleen Perez*

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CONGRESSIONAL INFORMATION SV
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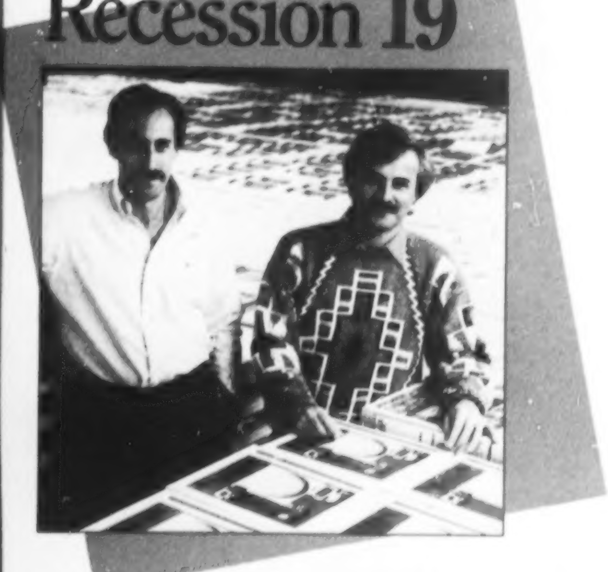
ADCO Outwits Recession 19



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COVER: TOP PHOTO OF PARK MODEL FROM FAIRMONT HOMES INC., IN NAPPANEE, IND; COMPUTER ILLUSTRATION BY CAROL HENRY; BOTTOM PHOTO BY STEVE ECHOLS.

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Market Trends

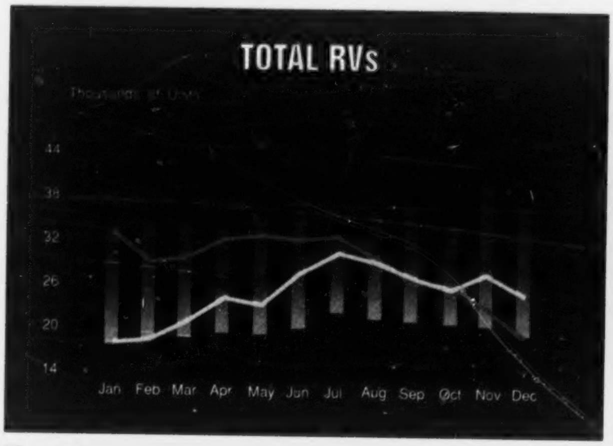


Figure 1

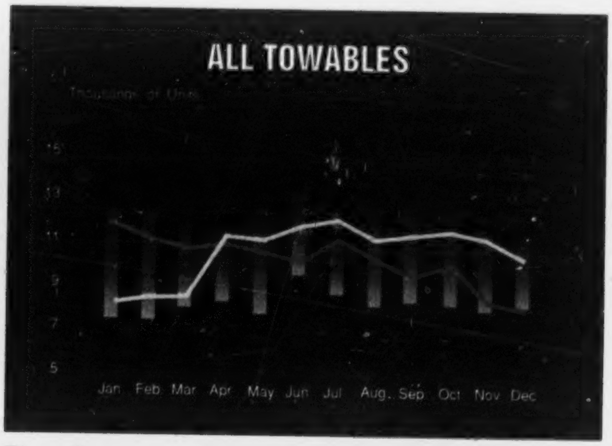


Figure 2

▨ 1981-90 Shipment's Range
▨ 1990 Monthly Shipments
☐ 1991 Monthly Shipments

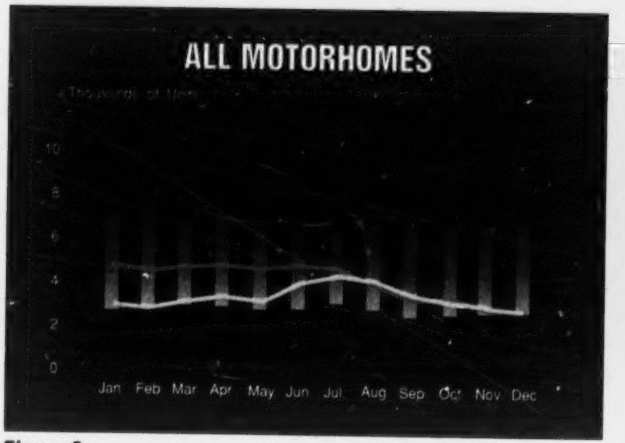


Figure 3

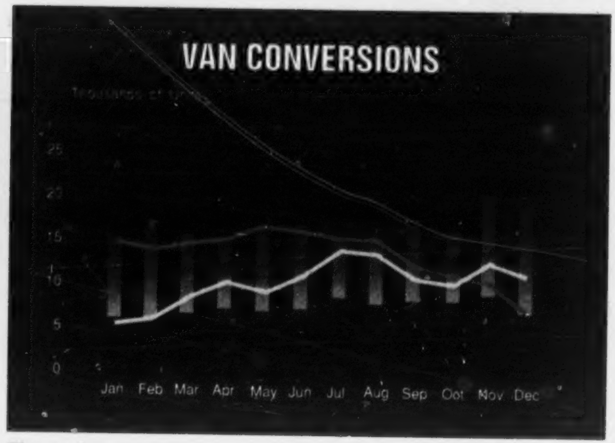


Figure 4

ANNUAL & MONTHLY COMPARISONS OF SHIPMENTS

Type of Units	Dec. '91	% Change From Nov. '91	% Change From Dec. '90	Year-to-Date 1991	% Change From '90	% Market Share '91
TOTAL RVs	25.350	-9.1	32.0	301.910	-13.8	100.00
Travel Trailers:						
Conventional	3,910	-8.7	3.8	49,700	-3.9	16.46
Park Models	500	-27.2	-16.7	6,890	-4.6	2.28
Fifth-wheels	2,110	-17.4	41.9	28,400	3.0	9.41
All Travel Trailers	6,530	-13.4	11.4	84,990	-1.8	28.15
Folding Trailers	2,960	-3.6	51.7	34,160	10.9	11.31
Truck Campers	810	27.0	23.9	9,550	-0.4	3.16
TOTAL TOWABLES	10.290	-8.4	21.6	128.700	1.4	42.63
Motorhomes:						
Class A	1,770	-4.8	8.1	23,520	-18.2	7.79
Class B	220	-3.5	-49.9	3,490	-40.5	1.16
Class C						
Minis	1,040	-3.8	40.3	13,060	-2.0	4.33
Low-profiles	0	0.0	-100.0	420	-29.6	0.14
Micro-minis	0	-100.0	-100.0	2,030	-36.9	0.67
Class C Total	1,040	-23.1	7.1	15,510	-9.5	5.14
TOTAL MOTORHOMES	3.030	-11.9	-0.6	42.520	-17.9	14.08
Van Conversions	12,030	-8.9	56.2	130,690	-23.9	43.29

Note: Data rounded to nearest 10 units; columns may not add to total because of rounding

December Shipments Reveal Letdown

Closing out 1991, December shipments as reported by RVIA and then seasonally adjusted, showed slippage from the preceding month, although all major sectors except motorhomes performed considerably better than they did during December of 1990. While van conversions dropped 8.9% from November '91, they logged a hefty improvement over December '90 (56.2%). Towables lost ground by 8.4% from November '91 but also showed a sizable increase from December '90 (21.6%). The still-struggling motorhome sector slipped by 11.9% from November '91. (See Figures 1-4 and table.) RV shipments overall continued to narrow their year-to-date gap with a 13.8% difference, as compared with November's deficit of 16.5% from 1990. Δ

Statistical data is supplied by Morton J. Marcus, director of the Indiana Business Research Center at Indiana University School of Business and a member of the faculty.

COMPUTER GRAPHICS: CAROL HENRY

❷ TARGET INSERT CONTINUED

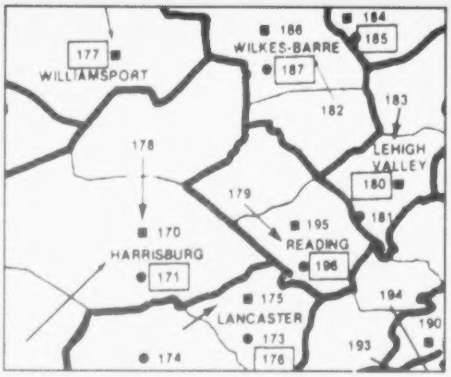
the insert is printed on card stock, you can even include a return card!

2) It's a highly-targeted advertising piece. Since you select the ZIP codes you want to reach, the insert is as targeted as you want to make it. And since *Highways* is distributed only to members of the Good Sam Club, the entire circulation of *Highways* is already pre-screened to include only the most active and involved RV owners.

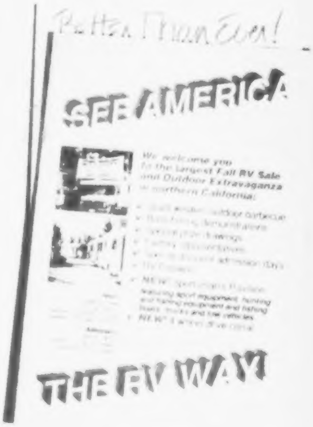
3) It's a highly-visible advertising piece. A 6-page insert is something that will be noticed ***and read*** by every one of your potential customers. In fact, since the insert is printed on card stock, the magazine automatically opens to your insert every time!

In effect, the **Target Market Insert** is like an elaborate direct mail piece that goes to every Good Sam member in your marketing area, with no wasted circulation to inflate your cost. According to *Highways* Magazine, it's the first advertising program designed from the ground up with RV dealers in mind.

For more information, contact your TL Enterprises representative❖



Through *Highways*' Target Market Insert Program, RV dealers can target their magazine advertising to any specific ZIP code—or combination of ZIP codes—in the United States.


Better Than Ever!
SEE AMERICA
THE RV WAY!

We welcome you to the largest Fall RV Sale and Outdoor Extravaganza in northern California:

NEW! Sportsman's Pavilion featuring sport equipment, hunting and fishing equipment and fishing boats, trucks and tow vehicles

ADVERTISING IN A RECESSION– WHO NEEDS IT?

For most dealers, the first instinct in a recession is to cut costs wherever possible. And the easiest cost to cut is usually the advertising budget:

While this strategy seems to make sense at first glance, it overlooks one of the greatest strategic opportunities available to an RV marketer. Simply put, an economic downturn is one of the best chances a dealer has to increase sales volume and market share—on both a short-term and long-term basis.

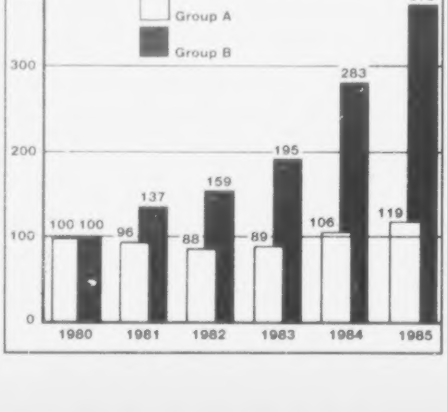
To understand this opportunity, a dealer need only look at the alternatives. If you cut back on advertising, your sales will probably erode even more. Which means you've got to cut expenses even further. Which cuts even deeper into your sales. And so on. It's a steadily declining cycle from which some dealers may never recover.

On the other hand, if you aggressively advertise during a recession, you can pull sales from those competitors who are "running scared"...more effectively dominate the advertising media...and get a big jump on the market when the economy improves.

In a continuing study of U.S. recessions, McGraw-Hill Research analyzed 600 companies—in 16 different industries—from 1980 through 1985. The results showed that those companies who maintained or increased their advertising expenditures during the 1981-1982 recession averaged significantly higher sales growth than those which eliminated or decreased advertising—both during the recession and for the following three years!

By 1985, sales of companies which were aggressive recession advertisers had risen 256 percentage points over those which didn't keep up their advertising!❖

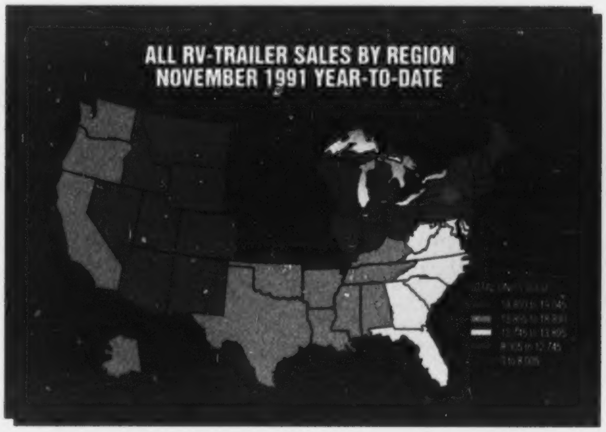
> ***"An economic downturn is one of the best chances a dealer has to increase sales volume and market share."***

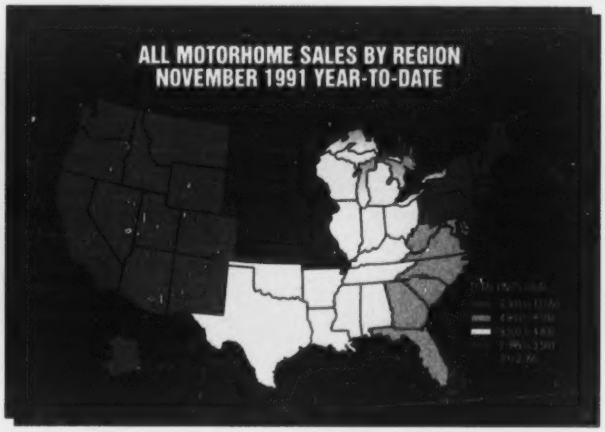


Sales Indicies 1980-1985. Group A eliminated or decreased advertising in both 1981 and 1982. Group B maintained or increased advertising in both 1981 and 1982.

Source: McGraw Hill, Inc

Trailers Led November Sales





East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain:** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast:** Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific:** Alaska, California, Oregon, Washington, Hawaii; **South Atlantic:** Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central:** Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

Retail sales numbers for November 1991 found RV trailers up 2.13% over the previous November, although still down 6.14% for the year-to-date. The motorhome market performed less well, down from November 1990 as well as trailing 1990's year-to-date tally.

November motorhome sales dropped 25.3%, for a 770-unit decline, compared with the same month of 1990. For the year-to-date, motorhomes also lagged the first 11 months of 1990 by 9,565 units, or 21.1%.

> Motorhome sales had a setback in November.

In contrast, the RV trailer market experienced a 101-unit gain, or a 2.13% increase, over the previous November. For the year-to-date, however, trailer sales were still behind 1990's cumulative total by 6,349 units, or a 6.14% deficit.

Overall, RV trailers continued to gain ground compared with 1990's retail sales. But motorhome sales, which had begun to gather momentum, had a setback in November. Negative economic news widely reported in the media may have been one of the factors holding down November retail demand. Δ – *Thomas Walworth*

RV TRAILERS, NOVEMBER '91

Nov. '91 Rank	Region	% of Change from Nov. '90	Oct. '91 Rank
1	Mountain	24.0	5
2	W.N. Central	14.8	1
3	Pacific	13.5	6
4	S. Atlantic	2.2	7
5	Northeast	2.1	3
6	S. Central	-8.3	2
7	E.N. Central	-16.5	4

Figure 1

RV TRAILERS, YEAR-TO-DATE

Nov. '91 Rank	Region	% of Change Year-to-Date	Oct. '91 Rank
1	W.N. Central	2.61	1
2	E.N. Central	0.0	2
3	Mountain	-4.6	3
4	S. Central	-6.5	4
5	Pacific	-7.0	5
6	S. Atlantic	9.6	6
7	Northeast	-14.5	7

Figure 2

MOTORHOMES, NOVEMBER '91

Nov. '91 Rank	Region	% of Change from Nov. '90	Oct.'91 Rank
1	S. Central	1.6	2
2	Pacific	-3.6	6
3	W.N. Central	-15.87	1
4	Mountain	-30.2	5
5	S. Atlantic	-40.7	7
6	E.N. Central	-41.5	4
7	Northeast	-50.1	3

Figure 3

MOTORHOMES, YEAR-TO-DATE

Nov. '91 Rank	Region	% of Change Year-to-Date	Oct. '91 Rank
1	Pacific	-13.8	5
2	W.N. Central	-16.25	1
3	S.Central	-19.8	4
4	Mountain	-20.6	3
5	E.N. Central	-22.0	2
6	S. Atlantic	-31.2	6
7	Northeast	-32.1	7

Figure 4

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics to the RV industry for 30 years. Statistical Surveys is an acknowledged leader in the RV statistical field.

COMPUTER GRAPHICS: CAROL HENRY

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Airstream
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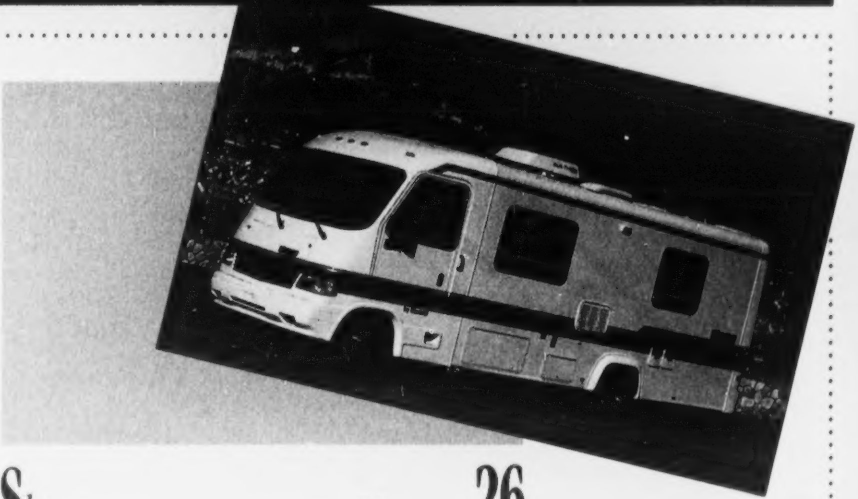

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Thor Industries Offers to Buy Four Winds

Thor Industries Inc., Jackson Center, Ohio, made an offer to essentially merge with upstart RV manufacturer Four Winds International Corp., Elkhart, Ind., according to a Feb. 24 press release from Thor.

The release, penned by Thor Chairman Wade F. B. Thompson and President Peter B. Orthwein, stated that Thor had "made an offer to exchange a substantial amount of its common shares" for an undisclosed number of shares in privately held Four Winds.

A two-year-old company, Four Winds is currently the fifth-largest U.S. builder of Class C motorhomes. Four Winds also makes truck campers and began manufacturing Class A's, travel trailers and fifth-wheels this year.

"The offer has not yet been accepted by Four Winds or its principals," the release stated. "If agreement is reached, it would be subject to execution of a definitive agreement, various regulatory filings and other conditions."

While most parties involved declined comment, Thor Chairman Thompson did

continued on page 13

Thousand Trails To Expand Resorts' RV Retail Stores

Thousand Trails/NACO, Bellevue, Wash., announced that it has embarked on a major expansion of the services offered to its 189,000 member families through its more than 70 resort stores.

Thousand Trails/NACO (TT/NACO) has already signed an exclusive purchasing agreement with Tacoma, Wash.-based Western Distributors to provide parts and accessories for TT/NACO's nationwide membership campground network. John Stanton, director of special projects for TT/NACO, explained that the agreement allows the membership-campground giant to provide an increased inventory of parts and accessories at its resort stores.

Under the agreement, all RV products will be bought through Western Distributors, which is working closely with TT/

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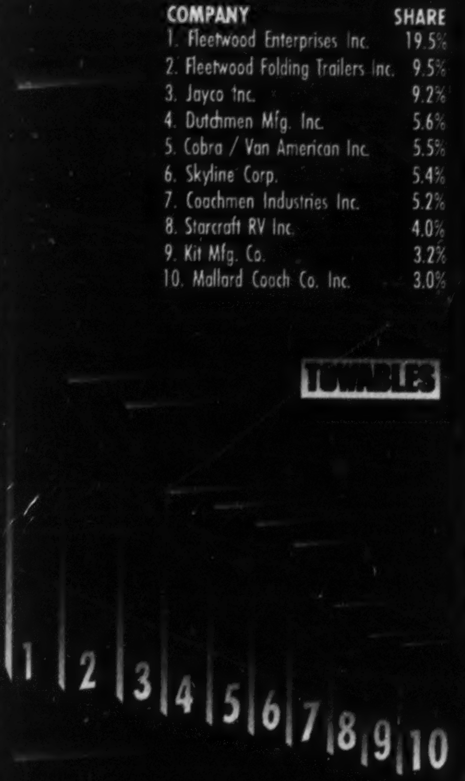
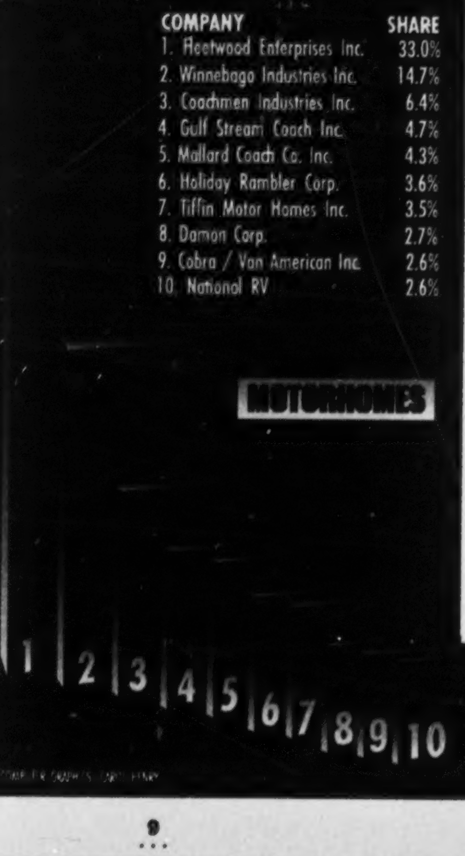
RV Sales Leaders Remain Unchallenged in '91



COMPANY	SHARE
1. Fleetwood Enterprises Inc.	19.5%
2. Fleetwood Folding Trailers Inc.	9.5%
3. Jayco Inc.	9.2%
4. Dutchmen Mfg. Inc.	5.6%
5. Cobra / Van American Inc.	5.5%
6. Skyline Corp.	5.4%
7. Coachmen Industries Inc.	5.2%
8. Starcraft RV Inc.	4.0%
9. Kit Mfg. Co.	3.2%
10. Mallard Coach Co. Inc.	3.0%



COMPANY	SHARE
1. Fleetwood Enterprises Inc.	33.0%
2. Winnebago Industries Inc.	14.7%
3. Coachmen Industries Inc.	6.4%
4. Gulf Stream Coach Inc.	4.7%
5. Mallard Coach Co. Inc.	4.3%
6. Holiday Rambler Corp.	3.6%
7. Tiffin Motor Homes Inc.	3.5%
8. Damon Corp.	2.7%
9. Cobra / Van American Inc.	2.6%
10. National RV	2.6%

Fleetwood Enterprises Inc. remained the unchallenged retail RV sales leader in 1991, garnering 19.5% of the towable market (travel trailers and fifth-wheels combined) and 33% of the motorized sector (Class A's and Class C's combined), according to a year-end report formulated by Statistical Surveys Inc. (SSI), Grand Rapids, Mich.

But, while the Riverside, Calif., manufacturer posted market-share totals similar to 1990's, a handful of other companies made their presence felt in 1991 by picking up sales and market share from other manufacturers and—amid the unsettling economy—moving up in SSI's top 10.

In towables, Dutchmen Manufacturing Inc., Goshen, Ind., climbed from ninth to fourth, and Cobra-Van American Inc., Goshen, Ind., jumped from 10th to fifth. On the motorized side, Elkhart, Ind.-based Damon Corp. and Cobra made their debuts in the top 10 at eighth and ninth, respectively. All three of those companies specialize in price-leader products.

Otherwise, the top three players in each category remained the same (see chart), explained SSI General Manager Tom Walworth. Δ—*Sherman Goldenberg*

Sales Recovery Initiated in 1991

ALL RV-TRAILER SALES BY REGION
DECEMBER 1991 YEAR-TO-DATE

ALL MOTORHOME SALES BY REGION
DECEMBER 1991 YEAR-TO-DATE

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain:** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast:** Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific:** Alaska, California, Oregon, Washington, Hawaii; **South Atlantic:** Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central:** Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

As 1991 drew to a finish, the RV-trailer market performance for the year revealed a slight dip of 5.49%, or 5,907 units, from 1990, while motorhomes slid 19.3%, which translates to 9,152 units. However, looking over 1991, a progression can be seen leading the industry steadily out of its doldrums.

While motorhome sales in the first quarter of '91 were down 30.6% from the same period of 1990, they were down 23.1% from '90 in the second quarter, 13.4% in the third quarter and just 7.0% from the preceding year as '91 ended. The RV-trailer market progressed from a first-quarter 19.6% shortfall from 1990, to a 23.1% deficit in the second quarter, actually logging an increase of 1.3% over '90 during the third quarter and a further rise of 5.0% over the closing quarter of the year.

> December clearly demonstrates this recuperative trend.

RV TRAILERS, DECEMBER '91

Dec. '91 Rank	Region	% of Change from Dec. '90	Nov. '91 Rank
1	E.N. Central	19.6	7
2	Pacific	14.2	3
3	W.N. Central	15.3	2
4	S. Central	8.7	6
5	Northeast	3.8	5
6	Mountain	2.8	1
7	S. Atlantic	-13.3	4

Figure 1

RV TRAILERS, YEAR-TO-DATE

Dec. '91 Rank	Region	% of Change Year-to-Date	Nov. '91 Rank
1	W.N. Central	3.4	1
2	E.N. Central	.5	2
3	Mountain	-4.4	3
4	S. Central	-4.9	4
5	Pacific	-6.0	5
6	S. Atlantic	-9.8	6
7	Northeast	-14.0	7

Figure 2

MOTORHOMES, DECEMBER '91

Dec. '91 Rank	Region	% of Change from Dec. '90	Nov. '91 Rank
1	S. Central	37.7	1
2	Pacific	23.0	2
3	Mountain	20.1	4
4	Northeast	11.1	7
5	E.N. Central	2.0	6
6	W.N. Central	-10.3	3
7	S. Atlantic	-16.9	5

Figure 3

MOTORHOMES, YEAR-TO-DATE

Dec. '91 Rank	Region	% of Change Year-to-Date	Nov. '91 Rank
1	Pacific	-12.0	1
2	S. Central	-16.7	3
3	Mountain	-17.8	4
4	W.N. Central	-19.6	2
5	E.N. Central	-20.7	5
6	S. Atlantic	-30.0	6
7	Northeast	-30.4	7

Figure 4

Activity in the month of December clearly demonstrates this recuperative trend, as the RV-trailer market logged a gain in sales of 5.39%, or 225 units, over the same month of 1990. At the same time, motorhome sales improved by 12.32%, equal to 259 units, over the preceding December.

Regional sales for December 1991 are described in figures 1-4, which rank seven regions of the nation according to their performance. Δ – *Thomas Walworth*

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

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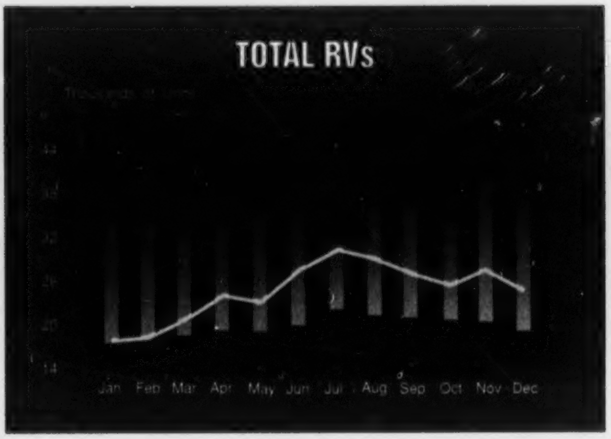

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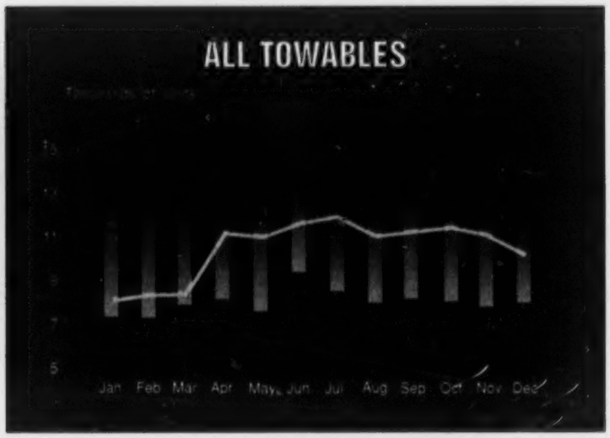

Figure 2

■ 1961-90 Shipment's Range
☐ 1991 Monthly Shipments
■ 1992 Monthly Shipments

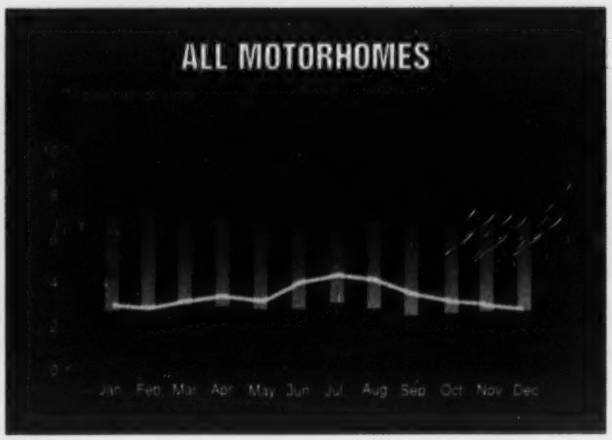

Figure 3

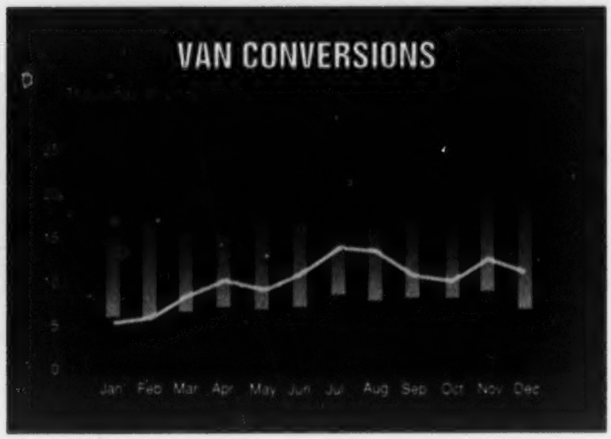

Figure 4

ANNUAL & MONTHLY COMPARISONS OF SHIPMENTS

Type of Units	Jan. '92	Change From Dec. '91 Number	%	Change From Jan. '91 Number	%
TOTAL RVs	**33.300**	**7.950**	**31.4**	**15.780**	**90.1**
Travel Trailers:					
Conventional	4,360	440	11.3	1,350	45.1
Park Models	490	-10	-1.4	20	4.7
Fifth-wheels	2,960	850	40.0	1,040	54.1
All Travel Trailers	7,810	1,280	19.7	2,420	44.8
Folding Trailers	3,210	250	8.4	560	20.9
Truck Campers	990	190	23.1	280	40.2
TOTAL TOWABLES	**12.010**	**1,720**	**16.7**	**3.260**	**37.2**
Motorhomes:					
Class A	2,360	580	33.0	850	56.2
Class B	260	40	19.3	-120	-31.5
Class C					
Minis	1,300	260	25.0	550	73.2
Low-profiles	0	0	0.0	0	0.0
Micro-minis	200	200	n/a	-10	-2.6
Class C Total	1,500	460	44.1	540	57.1
TOTAL MOTORHOMES	**4.120**	**1.080**	**35.8**	**1.270**	**44.7**
Van Conversions	17,170	5,150	42.8	11,250	190.0

Sensational Shipments Launch 1992 Resurgence

Total RV shipments approached the top of the 10-year range in January 1992, according to figures reported by RVIA and then seasonally adjusted, logging a rise to 33,300 units from the preceding January's 17,520 units. This demonstrates an increase of 31.4% from December '91 and an astounding 90.1% improvement over January '91. Towables rose 16.7% from December '91 and logged a 37.2% increase over January of the preceding year. Motorhomes had an even better January, recording a 35.8% gain over the preceding month's shipments and 44.7% over those of January '91. The van conversion sector experienced a 42.8% boost from December '91, and outperformed January '91 by a phenomenal 190%. As seen in Figures 1-4 and the table, overall RV shipments have rounded the bend and are off to a bounding start for this year. Δ

Statistical data is supplied by Morton J. Marcus, director of the Indiana Business Research Center at Indiana University School of Business and a member of the faculty.

Note: Data rounded to nearest 10 units; columns may not add to total because of rounding

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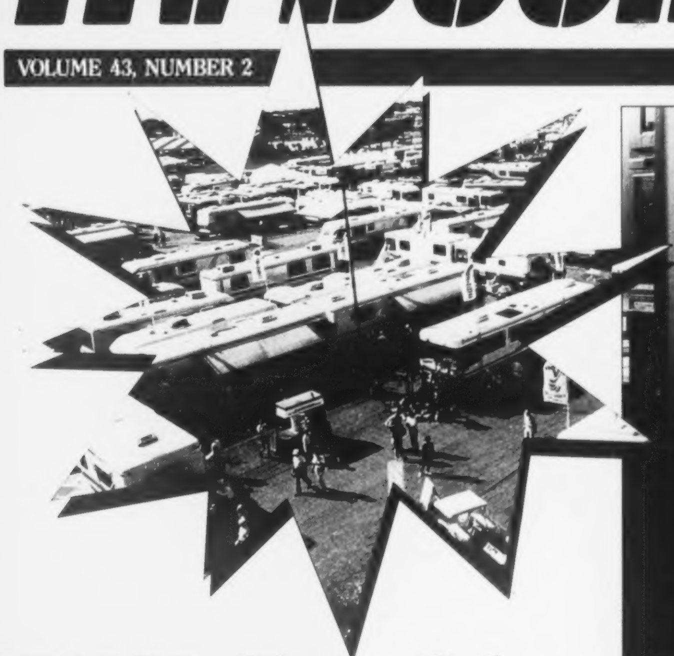

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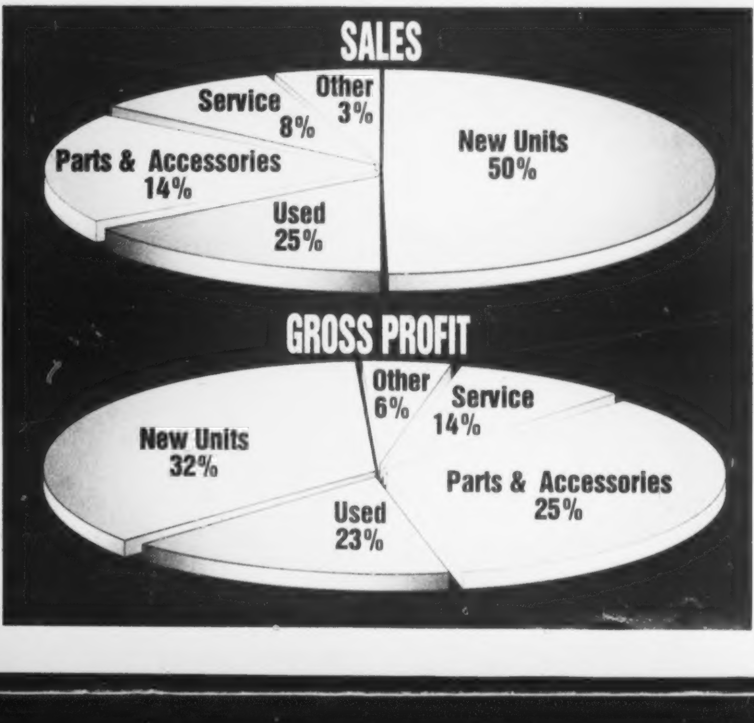

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RV Sales Climb the Recovery Path

The continued rise in RV retail sales was witnessed by this January's 10.7% increase in RV-trailer sales over those of January 1991, while motorhome sales logged a 1.78% gain from January of last year.

The RV-trailer sector improved overall by 400 units from 1991's first-month sales. The seven national regions are ranked in Figure 1 according to their performance as compared with January 1991 results. The state of Utah, in the Mountain region, enjoyed the largest increase in sales, as the South Atlantic region trailed the nation, with Delaware logging the greatest decline.

RV TRAILERS, JANUARY '92

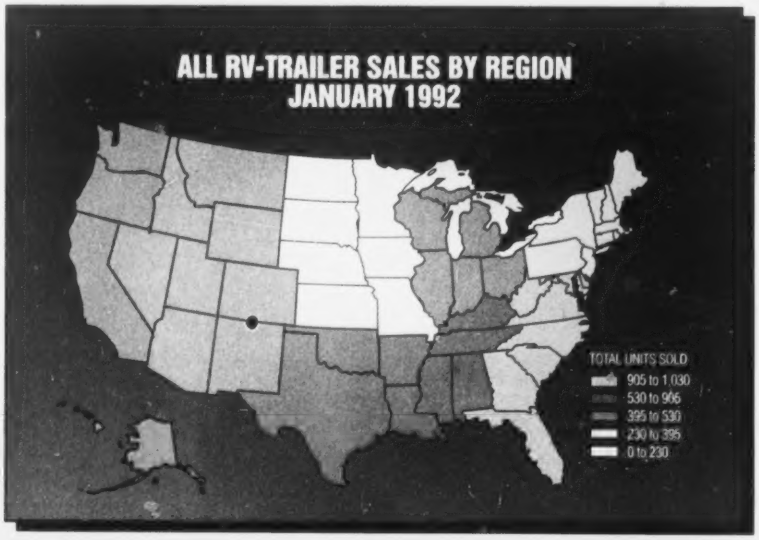
Jan. '92 Rank	Region	% of Change from Jan. '91	Dec. '91 Rank
1	Mountain	22.5	6
2	S. Central	21.9	4
3	W.N. Central	20.4	3
4	Northeast	4.9	5
5	E.N. Central	2.9	1
6	Pacific	-5.4	2
7	S. Atlantic	-18.7	7

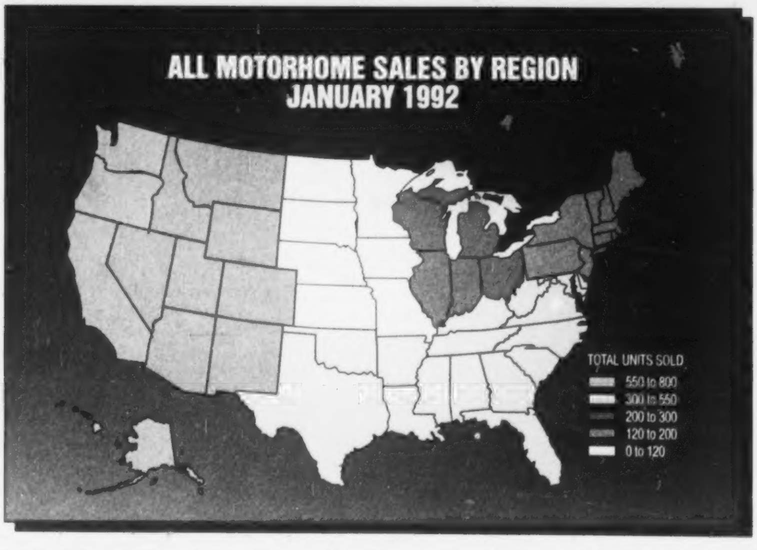
Figure 1

MOTORHOMES, JANUARY '92

Jan. '92 Rank	Region	% of Change from Jan. '91	Dec. '91 Rank
1	S. Central	25.9	1
2	Mountain	11.2	3
3	Northeast	7.0	4
4	E.N. Central	6.3	5
5	W.N. Central	-4.8	6
6	Pacific	-5.6	2
7	S. Atlantic	-6.1	7

Figure 2





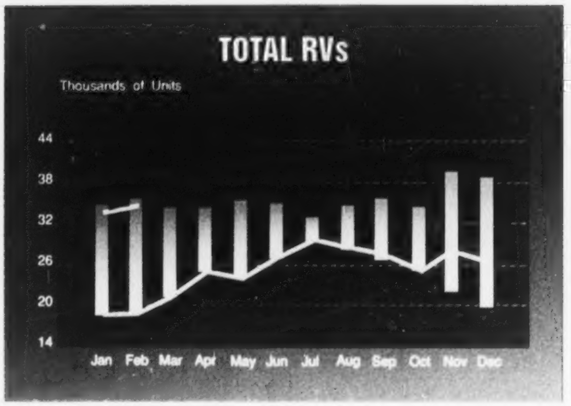
East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

Retail motorhome sales also climbed in January, up from the previous January's sales by 38 units. As seen in Figure 2, the South Central region topped all others in motorhome sales, having the largest gain in the state of Louisiana. Maryland, in the bottom-ranked South Atlantic region, experienced the largest decrease.

RV-trailer retail sales are currently outpacing those of motorhomes. Some areas of the nation continue to experience a soft market, but a recovery is clearly in process. Overall, the industry has consistently outperformed preceding-year sales on a monthly basis in the period from September 1991 through January 1992. We anticipate further improvement as 1992 advances. ∆ *Thomas Walworth*

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

COMPUTER GRAPHICS: CAROL HENRY



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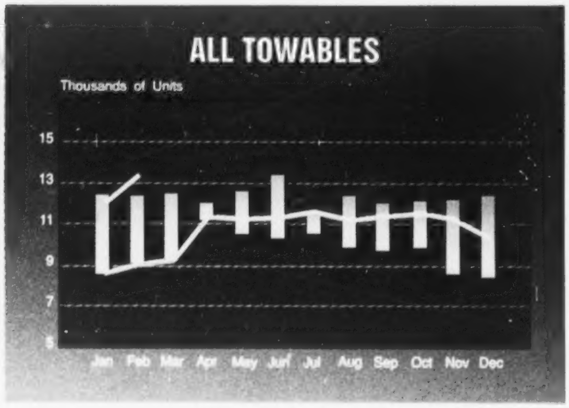


Figure 2

☐ 1988-91 Shipments Range
☐ 1991 Monthly Shipments
☐ 1992 Monthly Shipments

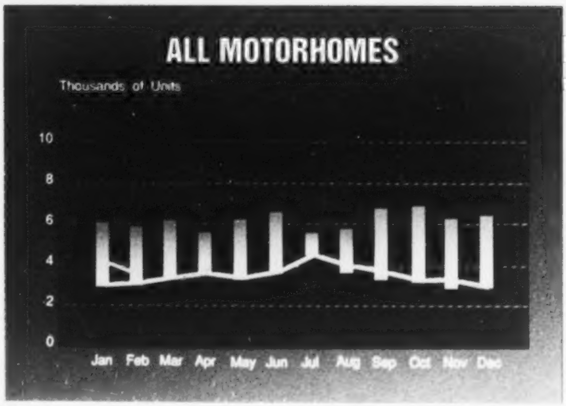


Figure 3

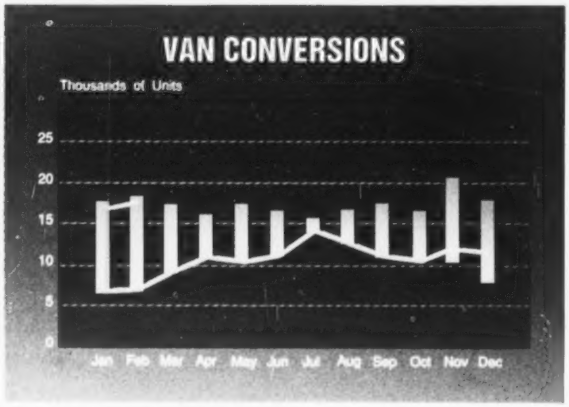


Figure 4

Strong Shipments Press on in February

The strengthening of the RV industry continued in February 1992 as total RV shipments towered over those of the previous February by 87.2% and logged a 3.3% improvement over January '92 shipments, according to figures reported by RVIA and then seasonally adjusted. Towable units rose by 10.1% from January (46.7% from February '91). While motorhomes struggled with a 12.1% decline from January, they were nevertheless ahead of February '91 by 36.1%. Fifth-wheels and truck campers suffered the greatest drops from the preceding month's showing. Year-to-date total RV shipments were 67,710 units ahead of the same period in 1991 while towables were up by 25,220 units and motorhomes showed an increase of 7,730 units.

Statistical data is supplied by Morton J. Marcus, director of the Indiana Business Research Center at Indiana University School of Business and a member of the faculty.

ANNUAL & MONTHLY COMPARISONS OF SHIPMENTS

Type of Units	Feb. '92	% Change From Jan. '92	% Change From Feb. '91	Year-to-Date 1992	% Change From '91	% Market Share '92
TOTAL RVs	**34,410**	**3.3**	**87.2**	**67,710**	**86.1**	**100.00**
Travel Trailers						
Conventional	4,950	13.5	37.5	9,310	40.4	13.75
Park Models	600	22.4	50.0	1,090	22.5	1.61
Fifth-wheels	[illegible]	88.9	82.8	6,230	62.2	9.20
All Travel Trailers	8,840	[illegible]	[illegible]	16,640	46.5	24.58
Folding Trailers	3,410	[illegible]	[illegible]	6,610	[illegible]	9.76
Truck Campers	[illegible]	[illegible]	[illegible]	[illegible]	44.9	2.91
TOTAL TOWABLES	**13,220**	**10.1**	**46.7**	**25,220**	**42.6**	**37.25**
Motorhomes						
Class A	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6.56
Class B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.72
Class C						
Mini	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Low-profile	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Micro-mini	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	41.1	4.14
TOTAL MOTORHOMES	**3,620**	**-12.1**	**36.1**	**7,730**	**38.0**	**11.42**
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Does Your Distributor Help You Compete?

by Dave Berger

It seems only a few years ago that dealers had the parts-and-accessories business all to themselves. The company that sold the unit also serviced it, and anything related came from the dealers as well.

When the first mass merchandiser started up, it seemed to be a distant problem—an accessories concern only to the dealer located nearby. But the mass merchandiser didn't just have a local business. His catalog mailings attracted orders from far away . . . from the local markets of every dealership, including yours.

Then the mass merchandiser added more stores, and more. Then other mass merchandisers were on the scene. The dealer's sewn-up market was shredded.

Focus on Units

Ten years ago, dealers didn't have to ask where the dollars came from, because of the steady growth in unit sales. Even now, an average RV dealer gets 50% of his sales dollars from the sale of new units and another 25% from used units. If 75% of sales are from units, why worry about parts and accessories, which are only 14% of sales?

Although directing full attention to the parts-and-accessories business would certainly be a case of overkill, there is a fundamental issue to be studied. Parts and accessories are 14% of the average dealer's sales, but at an average margin of 38%. Thus, they contribute 25% of the total gross profit—more than that received from used units. In fact, new units, 50% of sales, only generate 32.5% of gross profit. So instead of comparing 50% or 75% to a lowly 14%, consider 32.5% vs. 25%. It is the 25% of gross profit that is most endangered by mass merchandisers, and, because new-unit sales have not grown in the past five years, the accessories market is more important than ever.

The Distributor

The parts-and-accessories distributor can help the dealer's store control its costs by providing simplified ordering, fast delivery and inventory control. While you may rely on the distributor's service to help with your business, a problem can develop: Distributors play a significant role in setting the retail prices found on products in your store. If a distributor studies market conditions and prices items competitively with the mass merchandisers' mail-order catalogs, that's OK, because the store following that pricing scheme will be competitive in the eyes of the consumer.

If, however, a distributor relies only on the manufacturer's suggested list prices, or sets prices using the same outdated margins used prior to the competitive days of the mass merchandiser, then that distributor is actually contributing to the demise of the independent dealer's parts-and-accessories business. Most consumers know the mass merchandisers, or have seen their mail-order ads, and thus know what the retail price of an item should be.

> The catalog houses, not the manufacturers, set the true retail prices of accessories.

So, here's the truth about manufacturer's suggested list price: It is an option only if that item has not been priced differently by a mass merchandiser. The catalog houses, not the manufacturers, set the true retail prices of accessories in the United States. For example, the manufacturer's suggested list price of one particular 50-foot power cord is $169, but the catalog houses sell it for $69.99. The price of a popular toilet chemical is $7.95, while the mass merchandisers catalog it at $5.95. Which price do you suppose the "street price" is?

If you are using catalogs and price stickers from a distributor that uses list pricing, your shoppers quickly realize that better pricing is available elsewhere. And doesn't it also follow that if your store is high-priced, your units and service are also perceived as being overpriced?

The Four P's

The mass merchandiser actually sets an excellent example for the independent dealer's store. More than anything else, he concentrates on the Basic Four P's:

- Product mix: There is ample inventory of each item in clear view.
- Price competitively: The mass merchandiser zeros in on key items consumers know well.
- Presentation: Clean, well-lit stores are merchandised using suggestive selling. For example, when the supermarket advertises a sale on strawberries, a related item like sponge cakes, will be displayed next to the strawberries, but at full price.
- Promotion: This includes signage and advertising. Catalogs are both colorful as well as cheerful; consumers are always directed to a sale item; and there's usually some type of prize-drawing or sweepstakes available to make the shopping experience more fun . . . and more frequent.

Using the Four P's

By being open to the successful methods of the mass merchandisers, and by using the services available through a good distributor, you can keep your fair share of the accessories market.

Nobody wants to buy the last *anything*. If you stock an item, *stock it!* Show that you are, indeed, in the accessories business. There is a general impression that a big supply of an item means "buy now." Supermarkets often pile a full-priced item high on the end cap to generate impulse sales.

Product variety is equally important. If you only show one electrical switch, your credibility as an electrical source is diminished when someone else offers eight.

Price the items the way you, as a consumer, would like to see them. If you had a choice between the $169 power cord or the $69.99 one, which would you buy? Sure, there's more profit at $169—if you could make a sale. But what about the sales you are losing due to the high price? You are losing money when an overpriced item sits on your shelf.

Presentation in the independent dealer's store is the least expensive of the Basic Four P's to improve upon, yet it's also the most difficult to judge. You sometimes need to rely on an outsider's honest opinion of how your store looks, although there are guidelines you can follow.

When you examine the lighting in your store, don't just look at the aisles; look at the products. Are some in perpetual shadows? Walk through a mass merchandiser's store to see the effects of indirect lighting. The light-colored fixtures and waxed floors reflect light to help cut shadows.

While packaging variations make no difference in the product, they can affect sales. What do your products look like? Are they covered with dust? Are they thrown into bins or hung neatly on peg hooks?

What examples of suggestive selling are you using? Do you merchandise items by manufacturer (which is probably meaningless to a consumer), or by usage, to give the shopper more buying ideas? Do you feature the same item in more than one place, as the mass merchandisers do? A 12-volt extension cord should be with your electrical necessities and also featured near a display of 12-volt hand-held spotlights, table fans and air compressors.

Promotion

While the mass merchandisers are famous for their frequent catalog mailings, many independent dealers try to rely on a distributor's single full-line catalog of several hundreds of pages. While critical for in-store use, these catalogs are prohibitive to mail. Do you use a catalog to help you sell items readily available on your shelves or as an excuse why your store doesn't have sufficient product? "Catalog stores" no longer work; people want to buy *now*, from a fully stocked store.

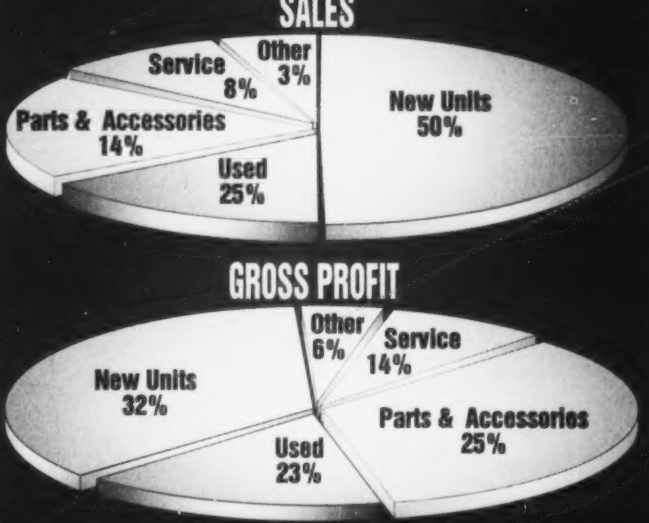
Examine your catalogs, too. Are they colorful, on glossy paper, with graphic elements that entice a consumer to look at every page, like the mass merchandiser's catalogs? The mass merchandisers are already sending their catalogs to "your" customers, because those businesses fully understand the power and economy of bulk mail. Ask your distributor for full-color, easy-to-mail catalogs to help you compete. The Coast Distribution System, for instance, has a 64-page full-color catalog for the RV industry; the catalog is affordable to buy and imprint, and cost is only about 30 cents each in bulk-mail postage.

In addition to sending a main mailing of a catalog to your customers, you also need to send several other mailings each year to build a customer base. Find a way to mail at least three or four times per year to each name on your mailing list. It might be a reminder postcard ("Time to Winterize") or "Sale" flyers. Coast Distribution includes a free ready-made two-sided ad mat each month (March through September) that coordinates with its own monthly-specials mailer to dealers. The cost to add return address, print and letter-fold 200 copies, and bulk mail them is only about $60, including postage.

If you haven't paid much attention to your mailing list lately, it's time you do so:

- Every unit you sell, and every one you service, should generate an entry.
- When you are at a show, have plenty of "For Further Information" cards available, to take names of interested attendees.
- Always sponsor a prize drawing of some sort, to collect extra names.

AVERAGE RV DEALER'S GROSS PROFIT FROM $2,000,000 SALES



Source	Percent of Sales	x Average $2,000,000 Gross Sales	Average Margin	Gross Profit	Percent Of Gross Profit
New Units	50%	$1,000,000	14%	$140,000	32%
Used Units	25%	500,000	20%	100,000	23%
Parts& Accessories	14%	280,000	38%	106,400	25%
Service	8%	160,000	38%	60,800	14%
Other, F& I	3%	60,000	40%	24,000	6%
	100%	$2,000,000		$431,200	100%

Note: 39% of the average dealer's gross profit comes from Parts & Accessories plus Service. What percent of your advertisinggoes towards 39% of your profit?

COMPUTER GRAPHICS: CAROL HENRY

Gross-profit statistics demonstrate the sometimes-overlooked significance of the parts-and-accessories role to the RV dealership. (Diagram statistics courtesy of The Coast Distribution System.)

- Use your computer to record every part-and-accessory sale in your mailing list. (One dealer who recently paid attention to the name-gathering techniques above increased his mailing list by 900 names in only six months.)
- Add "Address Correction Requested" below your return address on bulk mailings to keep your mailing list current.

Another way to promote your products is through proper signage. Begin from the street: Is it easy to find your store? Are entrances clearly marked? Inside, are the aisles identified? Do you have items marked "Sale" throughout your store?

The Fifth 'P'

The main advantage many local dealers have over the mass merchandiser would be the Fifth P: Professionals. Consumers will turn to the independent dealers for professional service and advice. Make sure your service desk is easily accessible to store customers and has impulsive merchandising around it. "Preventive maintenance" items sell well around the service desk.

Does your business have the professionals who attract customers, or simply cash register operators? Hold your advantage by fully training your employees.

Recommendations

Fortunately, by working with a good distributor, dealer stores will find many necessary services already available to help with three of the Basic P's: Product mix, Pricing and Promotion.

Work with your distributor as much as necessary to feature your products. Use price stickers (if they're competitive), shelf stickers, sale tags and computer systems designed by distributors to help you manage your business. Use your distributor's preprinted mailers and imprinted catalogs, and mail frequently. Have extra catalogs conveniently located throughout the store.

Let your service department be a magnet for your store. At any Sears Auto Center, a customer has to walk through the auto store to get to the service desk, and the "waiting lounge" is adjacent to the store.

Finally, rotate your end caps monthly, and change the general product layout of your store each season. Δ

Dave Berger, executive vice president of The Coast Distribution System, San Jose, Calif., has over 20 years' experience in the RV industry and contact with dealers across the country.

HAPPY CAMPER.

Specially designed for fold-down campers, the Trim Line™ Patio Awning by A&E is compact, lightweight and durable. And very affordable! Neatly self-contained in its own weatherproof zippered pouch, it installs in seconds on the camper's awning rail with no additional holes to drill or brackets to install. One or two people can handle set-up in a matter of minutes.

Trim Line is built to A&E's famous quality standards with a strong yet lightweight extruded aluminum roller tube, reinforced laminated vinyl fabric and full 7-foot extension. Built-in automatic tension feature keeps the canopy taut. Choose 7, 8, 9, 10, 11 or 12-foot length in Coffee, Burgundy or Blue Horizon stripe pattern.

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RV BUSINESS

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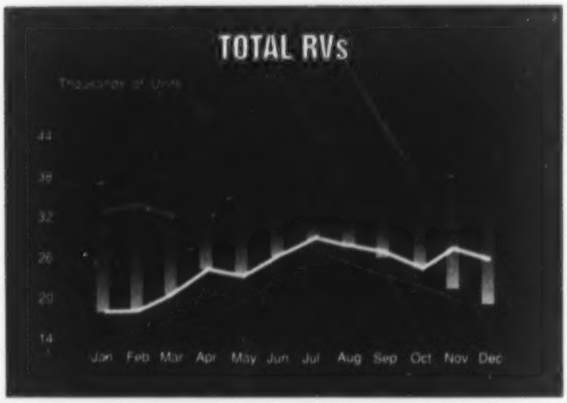

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*obse*RV*ations*

by John Thompson

Poor Telephone Experience

is the result of 68% of lost business, says Bill Morgan, service manager at Giant Recreation World. Writing in the March 1992 issue of the Florida RV Trade Association's FRVTA News, Bill cites studies that show the damaging effects of indifferent phone manners, unanswered extensions and putting people on hold too long while force-feeding them recorded messages about how great the company is. Bill's point is that anyone in your organization who handles a phone is an "MIP," the Most Important Person who represents the entire company. They need to know how vital they are and, if necessary, be taught the skills to make the kind of impressions that invite customers to buy, as well as to put regulatory agency callers in a good mood.

Singing for Sales

"I just had the greatest show in 27 years of business," exclaims Bill Thomas (Bill Thomas Camper Sales, Bridgeton, Mo.). Certainly the overall retail mood was better, but Bill took out a little insurance. "I hired this old fellow who has a Model T camper and tows an outhouse. He dressed up in period clothing and sat in the middle of my display playing the guitar and making up songs for the people, things like, 'My Wife Left Me for an Airstreamer.' " Those impromptu ditties may never make the Grammies, but they surely had gold labels for Bill.

A Matter of Taste

A Good Samer tells me that he saw this sign posted in the office of a Southwestern campground: "We're proud of our water. It has been personally passed by the management."

Hold That Price

Virginia dealer Scott Myers notes that tent-camper buyers in his Washington, D.C., market area seem to be holding their own price line. "A few years ago, they were buying the big boxes for $2,995. When prices went up, they bought 12-foot boxes that unfolded into 24 feet, then 8-foot boxes, while still paying $2,995. I suppose soon we'll be selling pup tents for $2,995." But it's not consumers being arbitrary or unfair, Scott observes. It's that their costs of living, especially mortgage payments, have escalated so that it's impossible to devote as much of their income to recreation as they used to.

Who's Got the Bucks?

The Census Bureau's latest information concerning household income is based on its 1990 survey of U.S. families. Here's some food for thought from that data and some from the survey of Good Sam Club members, who are demographically typical of active RVers, from the same year (note that age categories do not compare exactly, but you'll get the point):

U.S. HOUSEHOLDS		GOOD SAM CLUB MEMBERS		
Age of Householder	Median Household Income	Age of Member	Median Household Income	Average Net Worth
25-34	30,359	25-34	41,700	140,600
35-44	38,561	35-40	51,100	157,700
45-54	41,922	40-49	53,800	184,802
55-64	32,365	60-64	39,300	291,900
65-74	20,292	65-69	33,100	280,600
75+	13,150	70+	28,900	245,600

Betting on RV Destinations

For an interesting new source of RV destination travel, watch the progress of Grand Casinos, Inc. This small but rapidly growing company develops and manages casino gaming facilities on Native American land, under the 1988 Indian Gaming Regulatory Act. Thus far, it is focusing on sites within a two-hour drive of major population centers and where there are natural recreation opportunities (fishing, hiking, etc.) for vacationers to enjoy. It's a creative alternative to the glitz of Las Vegas, and plenty of RV facilities are part of the Grand Casino formula.

New Recall Rules

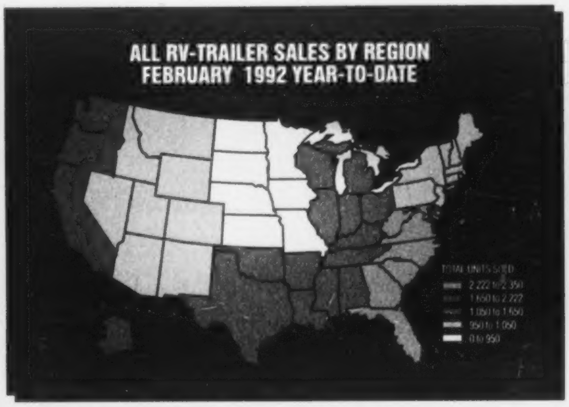
Congress now says that dealers may not sell vehicles or replacement equipment that have been recalled by either the manufacturer or NHTSA, without first correcting the safety-related problem. The products may be displayed and offered for sale or lease but can't be delivered to the consumer before the flaw is remedied. It is the manufacturer's responsibility to notify the dealer of the recall situation. This comes from an amendment to Section 154 of the National Traffic and Highway Safety Act of 1966 (15 U.S.C. 1414).

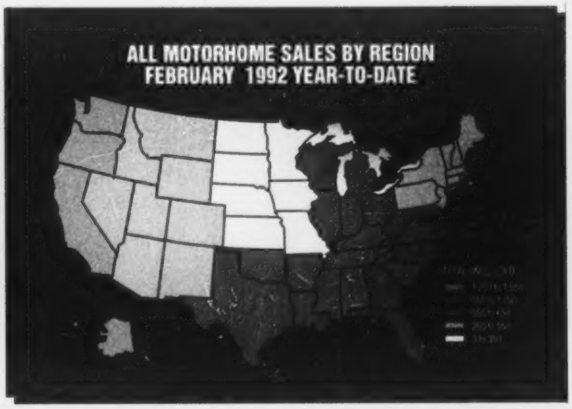
See How Far We've Come...

"The budget should be balanced, and the treasury should be refilled. Public debt should be reduced, the arrogance of officialdom should be tempered and put under control, and assistance to foreign lands should be reduced lest the state become bankrupt. The people should be forced to work and not depend on government for subsistence." - *Marcus Tullius - 106 BC.* Δ

John Thompson is a vice president of TL Enterprises Inc. and is based at the company's Agoura Hills, Calif., headquarters.

'92 Gains Suggest Time for the Game Plan





East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain:** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast:** Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific:** Alaska, California, Oregon, Washington, Hawaii; **South Atlantic:** Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central:** Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

RV TRAILERS, FEBRUARY '92

Feb. '92 Rank	Region	% of Change from Feb. '91	Jan. '92 Rank
1	W.N. Central	85.5	3
2	Mountain	53.6	1
3	E.N. Central	44.8	5
4	S. Atlantic	29.5	7
5	S. Central	22.3	2
6	Northeast	19.6	4
7	Pacific	15.0	6

Figure 1

RV TRAILERS, YEAR-TO-DATE

Feb. '92 Rank	Region	% of Change Year-to-Date	Jan. '92 Rank
1	W.N. Central	69.6	5
2	Mountain	40.3	2
3	E.N. Central	28.9	4
4	S. Atlantic	25.1	7
5	Northeast	23.3	3
6	S. Central	22.3	1
7	Pacific	5.8	6

Figure 2

MOTORHOMES, FEBRUARY '92

Feb.'92 Rank	Region	% of Change from Feb. '91	Jan.'92 Rank
1	Northeast	43.4	4
2	Mountain	23.7	1
3	E.N. Central	13.9	5
4	S. Central	11.0	2
5	Pacific	7.4	6
6	S. Atlantic	6.7	4
7	W.N. Central	1.8	3

Figure 3

MOTORHOMES, YEAR-TO-DATE

Feb. '92 Rank	Region	% of Change Year-to-Date	Jan. '92 Rank
1	Northeast	28.0	3
2	Mountain	18.3	2
3	S. Central	18.1	1
4	E.N. Central	11.1	4
5	W.N. Central	3.4	5
6	Pacific	.9	6
7	S. Atlantic	.5	7

Figure 4

Laying the foundation of reconstruction, the industry continued to log gains during the first two months of 1992, with a 24.4% increase in RV-trailer sales (2,204 units) and an 8% climb in motorhome sales (357 units) from the same period of 1991.

RV-trailer sales this February were up 31.6% (1,640 units) from February '91, and motorhomes gained 12.5% (291 units) from the same month of '91. February 1991 sales are described by region in figures 1-4, which rank seven regions of the nation according to their performance.

Overall, sales figures for the month showed improvement from February 1991, although 1991 was the roughest year since the outset of the decade, due primarily to the effects of the Gulf War. While it is important to realize that the motorhome industry is still below the preceding-five-year average of 6,142 units, and RV-trailer sales are just 6% above their corresponding average of 10,600 units, the long-awaited upturn from the 1991 disaster is a welcome sight.

Current increases signal a call for the industry to plot a long-term game plan. This is the time to review cost, quality and product design, coupled with consumer need, for both current and future markets. Do not be blinded by the encouraging light of 1992 retail market increases. Δ–*Thomas Walworth*

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surverys is an acknowledged leader in the RV statistical field.

COMPUTER GRAPHICS: CAROL HENRY

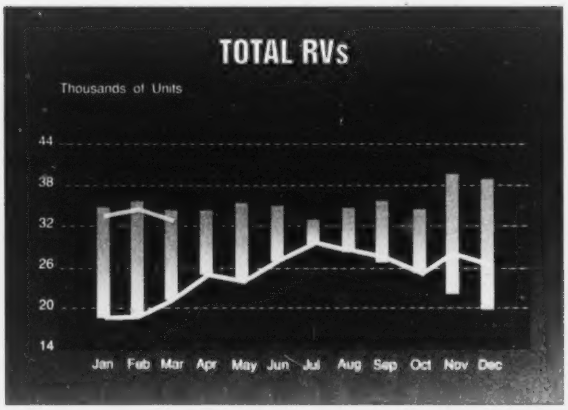


Figure 1

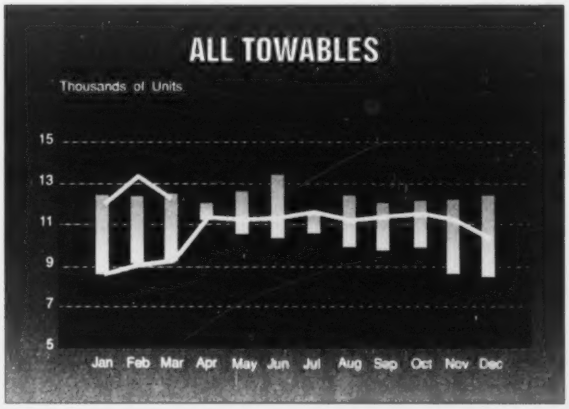


Figure 2

☐ 1988-91 Shipments Range
☐ 1991 Monthly Shipments
☐ 1992 Monthly Shipments

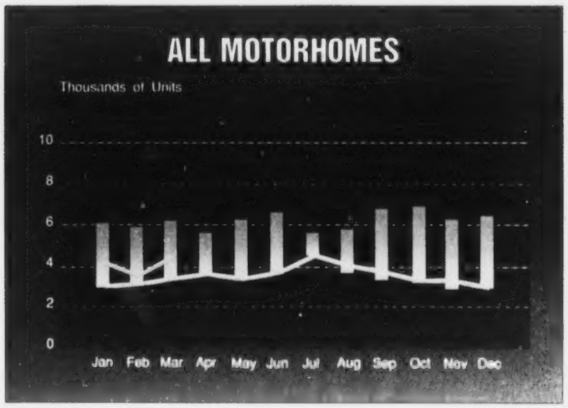


Figure 3

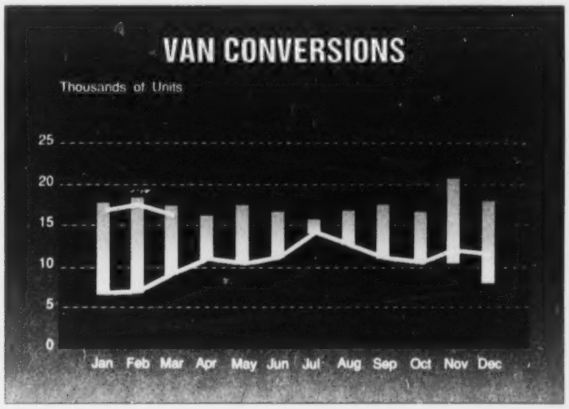


Figure 4

March Shipments Show Continued Gain From '91

Overall RV shipments in March of this year soared above those of March '91 by 50.8%, despite a slight dip (-4.3%) from February '92, according to figures reported by RVIA and then seasonally adjusted. Year-to-date, total RV shipments overshadowed those of the same period of '91 by a healthy 72.8% to reach 100,630 units–a significant increase even in light of the effect that the Gulf War had on shipments last year.

While experiencing a 7.9% drop in March from the preceding month, towables yet increased from March '91 by 34.7%. Motorhome shipments rose 17.4% from February '92 and passed up March '91 by 29.6%. Van Conversion shipments during March were 6.2% fewer than those of February but, again, showed strong improvement (73.4%) over March '91. As seen in Figures 1-4, 1992 shipments in three of the four categories are forging along the upper portion of the graphs. Motorhomes also rose during March, lending encouragement for the upcoming, traditionally strong season. \

Statistical data is supplied by Morton J. Marcus, director of the Indiana Business Research Center at Indiana University School of Business and a member of the faculty.

COMPUTER GRAPHICS: CAROL HENRY

ANNUAL & MONTHLY COMPARISONS OF SHIPMENTS

Type of Units	Mar. '92	% Change From Feb. '92	% Change From Mar. '91	Year-to-Date 1992	% Change From '91	% Market Share '92
TOTAL RVs	**32,920**	**-4.3**	**50.8**	**100,630**	**72.8**	**100.00**
Travel Trailers						
Conventional	4,490	9.3	26.8	13,800	35.7	13.71
Park Models	640	6.7	20.8	1,730	21.8	1.72
Fifth wheels	320	-90.2	-83.8	9,400	61.8	9.34
All Travel Trailers	8,300	6.0	37.4	24,940	43.3	24.78
Folding Trailers	3,090	9.4	34.9	9,700	33.8	9.64
Truck Campers	80	-91.8	-88.7	2,770	33.8	2.75
TOTAL TOWABLES	**12,180**	**-7.9**	**34.7**	**37,410**	**40.0**	**37.18**
Motorhomes						
Class A	2,490	19.7	29.0	6,920	43.6	6.88
Class B	270	15.4	3.6	770	23.8	0.77
Class C						
Minis	1,340	10.7	45.7	3,850	53.4	3.83
Low profiles	0	0.0	0.0	0	0.0	0.00
Micro-minis	150	50.0	0.0	440	-18.5	0.44
Class C Total	1,490	13.7	39.3	4,290	40.7	4.26
TOTAL MOTORHOMES	**4,250**	**17.4**	**29.6**	**11,980**	**34.9**	**11.90**
Van Conversions	16,490	-6.2	73.4	51,240	126.5	50.92

RV BUSINESS

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VOLUME 43, NUMBER 4 JULY 1992

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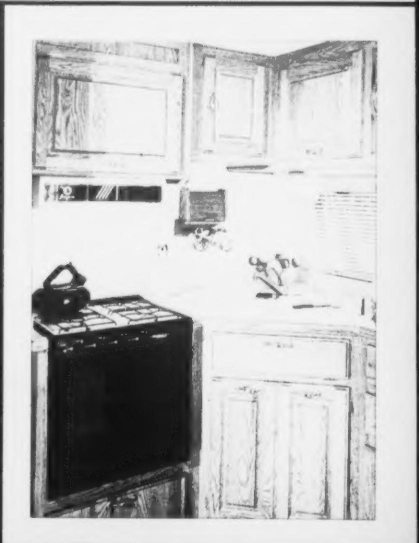

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OEM EDITION JULY 1992

MARKETING FACTS

A MONTHLY
NEWSLETTER
FROM
TL ENTERPRISES

ADVERTISING COSTS IN RV MAGAZINES—HOW DO THEY COMPARE?

If you're like most other RV marketers, much—if not all—of your advertising budget goes into RV magazines and other RV-related media. Which makes a lot of sense, since the RV market is easily reached and effectively covered by RV magazines.

If your advertising is limited to RV media, however, you probably don't realize what a bargain your RV advertising really is. Because you probably aren't aware of how your advertising costs stack up against those of similar companies in other markets.

This report will compare the advertising costs of RVing's two major consumer magazines—Trailer Life and MotorHome—to the costs of other leading magazines in comparable fields. All comparisons are on a cost-per-thousand (CPM) basis, so you can see exactly what each publication costs to reach 1,000 readers.

RV Magazines vs. Boating Magazines

From a marketer's point of view, the boating and RV fields are quite similar. The two markets are about the same overall size, and both are centered around expensive "vehicles" used for recreation—ranging from small boats and campers costing a few thousand dollars to luxurious yachts and motorhomes costing $100,000 or more.

	Audited Circulation	4/Color CPM
Boating Magazines		
Boating	186,064	$99.24
Sail	175,529	$73.80
Yachting	132,127	$95.63
RV Magazines		
Trailer Life	302,051	$36.42
MotorHome	151,008	$45.30

Source: Standard Rate & Data Service—February 1992

In fact, if you market RVs or RV accessories, chances are there's a parallel company and product in the boating field. A company whose marketing programs, sales goals and advertising budgets are much like yours. With one big difference:

Your counterpart in the boating market has to pay twice as much for his advertising as you do!

Because—on a cost-per-thousand basis—the major boating magazines are more than twice as expensive as the RV publications!

Is this efficiency a one-time anomaly? Not at all. Comparisons in other similar-size, special-interest markets show RV magazines to also be a far better advertising value than motorcycle magazines, photography magazines and aviation magazines, to name a few.

In fact, RV magazines are even more efficient than the mass-circulation automotive magazines!

RV Magazines vs. Automotive Magazines

Automotive enthusiast magazines are among the most cost-efficient of all special-interest publications. This is due to their large circulations (ranging from 735,000 to 1,000,000) and their intense competition for advertising dollars. This competitiveness results in an average 4/color CPM of

	Audited Circulation	4/Color CPM
Automotive Magazines		
Car and Driver	1,004, 291	$61.15
Motor Trend	887,475	$887,475
Road & Track	735,301	$62.00
RV Magazines		
Trailer Life	302,051	$36.42
MotorHome	151,008	$45.30

Source: Standard Rate & Data Service—February 1992

ADVERTISING COSTS Continued

$61.83, with only a $1.32 difference between the highest and the lowest.

How do these highly-efficient automotive magazines compare to the RV publications on a cost-per-thousand basis?

Each and every one of them is anywhere from 33% to 66% more expensive!

Another way of looking at these figures is to compare the average CPM of the RV, boating and automotive magazine groups as a whole. While CPMs are useful for an efficiency comparison, there's another way to measure actual advertising value. And that's to look at how many readers each advertising dollar really buys.

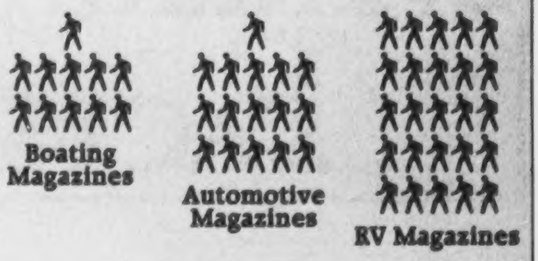
SPECIAL INTEREST MAGAZINE GROUPS

	Average 4/color CPM
Boating Magazines *Boating, Sail, Yachting*	$89.23
Automotive Magazines *Car and Driver, Motor Trend, Road & Track*	$61.83
RV Magazines *Trailer Life, MotorHome*	$39.37

Source: Standard Rate & Data Service—February 1992

Here's how the different magazine groups compare:

Readers Per Dollar



Source: Standard Rate & Data Service—February 1992

An advertising dollar spent in RV magazines buys an average of 25 readers...in the automotive magazines it buys 16 readers...and in the boating magazines it buys only 11 readers!

So the next time you look at your RV advertising expenditures, you might take comfort in the fact that you're getting a lot of value for your money.

And that your advertising dollars are buying a lot more than anyone else's.❖

#3 in a Series

AN INSIDER'S GUIDE TO MARKET RESEARCH

(This article is the third in a series intended to help you better understand the basics of market and media research as they apply to the RV marketer.)

In the previous edition of Marketing Facts, this column discussed why the self-administered questionnaire has become the industry standard for RV market and media research. The self-administered questionnaire can provide more in-depth research than other methods and can also be conducted anonymously to minimize bias.

The principal drawback to self-administered research is the possibility of a low response rate. Since it's up to the recipients to fill out and return the questionnaire, many may choose not to do so. And a low response rate can seriously affect the validity of the research.

This month, the series will look at several of the devices commonly used to build response. These are the alert notice, the cover letter, the incentive, and the return vehicle.

The Alert Notice

Considering the volume of "junk mail" that most people receive every day, a research package can be mistaken for a sales come-on and thrown away unopened. For this reason, an alert notice is sent to each respondent before the study is mailed. The notice—usually a postcard—tells respondents the study is coming and asks them to look for it in the mail. If they're expecting the study, they're much more likely to notice it and open it.

The alert notice also serves to "legitimitize" the study by explaining what it is—and more importantly, what it isn't. People are naturally suspicious of anything which tells them they've been selected or "won a free prize", since most of these are sales tricks. The alert notice helps overcome this suspicion.

The Cover Letter

Most questionnaire packages include a cover letter which asks for the respondent's cooperation. A typical letter explains the purpose of the study, indicates how the respondent was chosen, and gives simple instructions on how to respond. The letter helps to personally involve respondents in the study and make them feel that their answers are essential in making the study successful.

The Incentive

Perhaps the most effective response device of all

Ad Design Forum

IS REVERSE PRINT EFFECTIVE?

One of the oldest "rules" in advertising copywriting is that reverse print—white copy on a black or color background—discourages readership.

> *A well-designed ad will work whether the text is reversed or not. And a poorly-designed ad won't. It's that simple.*

On the surface, this concern is understandable. Since normal copy is black on a white background, readers are not used to seeing reverse print and have to adjust their mental "focus" to read it. And secondly, so many advertisers have used reverse print purely as an attention-getting gimmick that the technique has gotten a bad reputation in the advertising community.

Over the past few years, however, a number of ads which prominantly feature reverse print have done very well in their Starch Copy Testing scores—the industry's standard measurement of advertising effectiveness. Because of this, the Starch Advertisement Readership Service recently conducted an analysis of readership performance between ads with standard print and reverse print.

The analysis was based on all full-page four-color ads of 150 words or less studied by Starch in the last quarter of 1990. Both consumer and business publications were included, so the findings have universal application and are not limited to a single product category or publication type.

The findings were as follows:

Ads Noted & Read Most

	Number of ads	Noted	Read Most
Standard (Black) Text	986	43%	9%
Reverse (White) Text	215	44%	9%

In terms of ad quantity, black text is clearly the norm—almost 5 times more ads were in black type than reverse type. But otherwise, the two types of ads scored equally well in scores for "Noted" (the percentage of people who remember seeing the ad) and "Read Most" (the percentage who read 50% or more of the written material in the ad).

Starch concluded that the use of white text no longer carries a penalty in readership and suggested two reasons for this newfound equality. First is a greater acceptance of reverse type by readers as they have beome more accustomed to reading it. And secondly, most of today's reverse print ads are better designed and less gimmicky than in the past.

If the use of reverse type has no discernible advantage in ad readership, why should the RV marketer consider it? The primary reason is that black backgrounds can be very powerful in enhancing product shots, adding a dramatic look to any RV. And extending this background throughout the entire ad—reversing out the type—integrates the copy and graphics into one unit.

The principal limitation on reverse text is that copy must be kept to a minimum and the typeface must be larger than normal. Otherwise, the copy tends to "bounce" on the page—an optical illusion which can negatively affect readership.

It all comes down to personal preference. Because, in the end, a well-designed ad will work whether the text is reversed or not. And a poorly-designed ad won't. It's that simple. ❖

ADVERTISING CLOSING DATES

MotorHome

October 1992 Issue...July 1

November 1992 Issue...August 5

Trailer Life

October 1992 Issue...July 16

November 1992 Issue...August 12

Highways

September 1992 Issue...July 2

October 1992 Issue...August 3

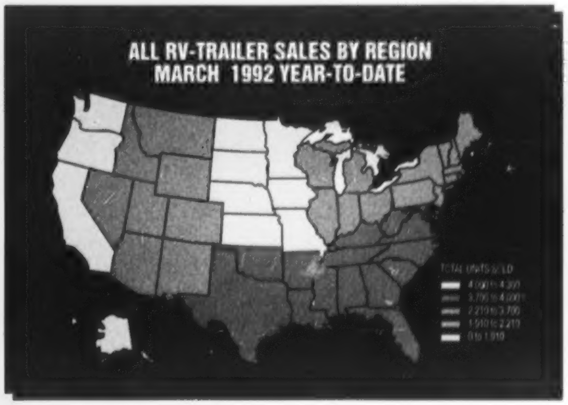
RV Business

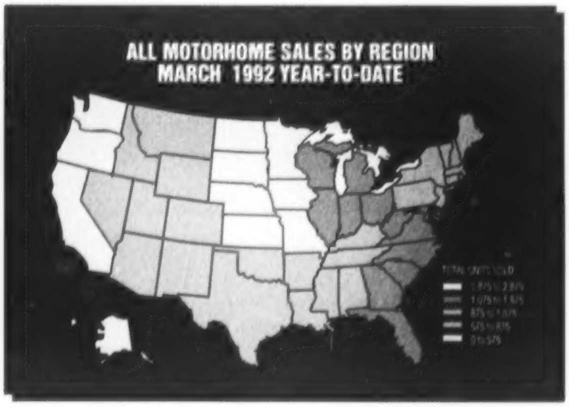
September 1992 Issue...July 29

October 1992 Issue...August 28

Advertising Sales Offices
In California: (818) 991-4980
In Indiana: (219) 295- 7820

First-Quarter Sales Surpass '91 Levels





East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain:** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast:** Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific:** Alaska, California, Oregon, Washington, Hawaii; **South Atlantic:** Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central:** Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

Both RV-trailer and motorhome sales rounded out the first quarter of 1992 at greater levels than seen in the same period of 1991. The RV-trailer sector experienced an 18.6% rise (a 3,419-unit increase) from the first quarter of '91, while motorhome sales climbed 11.23% (874 units) from those of the preceding first quarter. However, the industry still fell short of the 10-year average for first-quarter sales.

RV-trailer sales during March 1992 logged a 12.4% increase (1,152 units) from March '91, which was matched by a March gain in motorhome sales of 12.6% (421 units).

Sales performances in the nation's seven regions are shown in figures 1-4, which rank the regions according to their percentage changes in sales compared with the corresponding periods of 1991.

As 1992's opening quarter drew to a close, there were important shifts in market strength—with the Northeast, Mountain and West North Central regions performing above the industry average. Traditionally strong markets have softened, while weaker markets have grown faster than the national average. Thus, cashing in on the developing '92 market will require careful monitoring of retail activity. And it will be crucial to cover more than just the old key markets to accomplish today's marketing task. ∆—*Thomas Walworth*

RV TRAILERS, MARCH '92

Mar. '92 Rank	Region	% of Change from Mar.'91	Feb. '92 Rank
1	Pacific	27.5	7
2	Mountain	27.3	2
3	W.N. Central	25.1	1
4	E.N. Central	9.2	3
5	S. Central	6.8	5
6	Northeast	2.9	6
7	S. Atlantic	1.1	4

Figure 1

RV TRAILERS, YEAR-TO-DATE

Mar. '92 Rank	Region	% of Change Year-to-Date	Feb. '92 Rank
1	W.N. Central	43.4	1
2	Mountain	34.1	2
3	E.N. Central	18.0	3
4	S. Central	15.5	6
5	Pacific	15.2	7
6	S. Atlantic	14.2	4
7	Northeast	11.3	5

Figure 2

MOTORHOMES, MARCH '92

Mar.'92 Rank	Region	% of Change from Mar. '91	Feb.'92 Rank
1	W.N. Central	25.3	7
2	Northeast	23.2	1
3	Mountain	21.4	2
4	Pacific	14.8	5
5	S.Central	13.7	4
6	E.N. Central	12.0	3
7	S. Atlantic	-9.3	6

Figure 3

MOTORHOMES, YEAR-TO-DATE

Mar. '92 Rank	Region	% of Change Year-to-Date	Feb. '92 Rank
1	Northeast	28.2	1
2	Mountain	21.4	2
3	S. Central	16.9	3
4	W.N. Central	16.3	5
5	E.N. Central	13.3	4
6	Pacific	7.0	6
7	S. Atlantic	-2.5	7

Figure 4

COMPUTER GRAPHICS: CAROL HENRY

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics to the RV industry for 30 years. Statistical Surveys is an acknowledged leader in the RV statistical field.

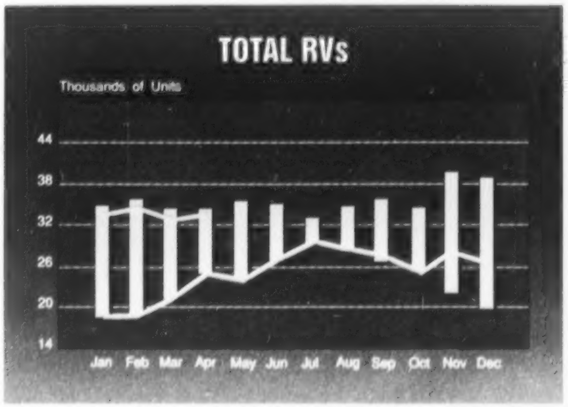


Figure 1

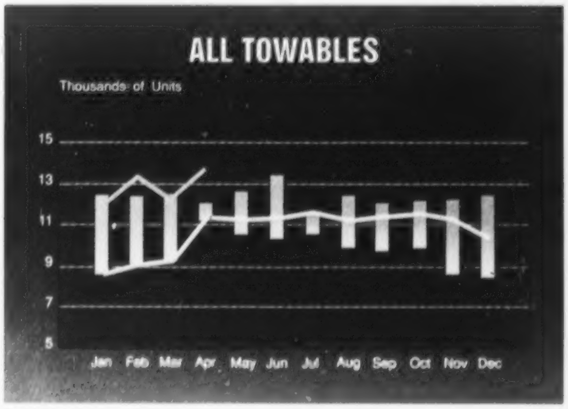
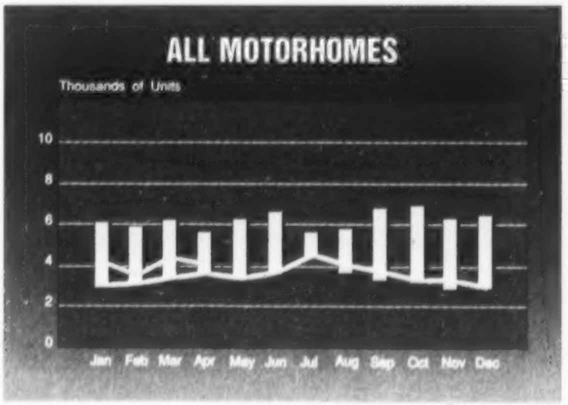


Figure 2

☐ 1988-91 Shipments Range
☐ 1991 Monthly Shipments
☐ 1992 Monthly Shipments



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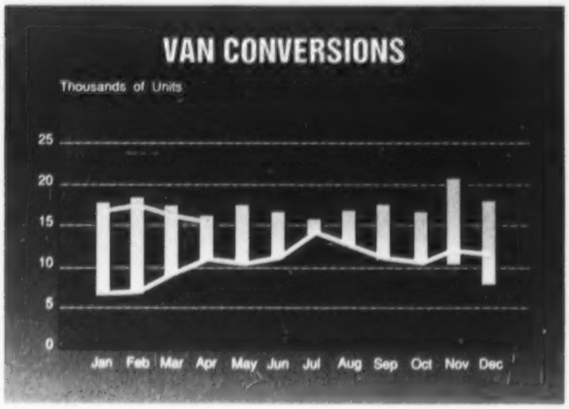

Figure 4

April Shipments Continue Growth

Led by a towables performance that soared above the previous monthly peak, shipments in April continued to outdistance 1991. Total shipments were up 2.3% from March and were a good 31.7% ahead of April '91. Towables were ahead of April '91 by 21.7%, while motorhomes, despite a 5.6% dip from March, outpaced last April by 12.3%. Although down slightly from March, van conversions still recorded the largest gain (48.8%) compared with last April.

Year-to-date, the first four months of 1992 put total shipments 60.3% ahead of their level for the same period of '91. The largest year-to-date growth was recorded by van conversions with a 101.7% increase; towables moved upward by 34.5%, and motorhomes led 1991 by 28.4%. Δ

Statistical data is supplied by Morton J. Marcus, director of the Indiana Business Research Center at Indiana University School of Business and a member of the faculty.

ANNUAL & MONTHLY COMPARISONS OF SHIPMENTS

Type of Units	Apr. '92	% Change From Mar. '92	% Change From Apr. '91	Year-to-Date 1992	% Change From '91	% Market Share '92
TOTAL RVs	**33,680**	**2.3**	**31.7**	**134,310**	**60.3**	**100.00**
Travel Trailers						
Conventional	[illegible]	0.9	15.9	18,330	30.2	13.65
Park Models	[illegible]	1.6	16.7	2,360	20.4	1.76
Fifth Wheels	[illegible]	5.7	33.5	12,390	53.9	9.22
All Travel Trailers	[illegible]	1.8	21.8	[illegible]	37.4	24.64
Camping Trailers	[illegible]	50.2	27.8	14,340	31.6	10.68
Truck Campers	[illegible]	32.5	[illegible]	3,830	29.4	2.85
TOTAL TOWABLES	**13,850**	**13.7**	**21.7**	**51,260**	**34.5**	**38.17**
Motorhomes						
Type A	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6.77
Type B	[illegible]	[illegible]	[illegible]	950	[illegible]	0.71
[illegible]						
[illegible]	[illegible]	[illegible]	54.8	[illegible]	[illegible]	3.95
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.00
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.48
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4.41
TOTAL MOTORHOMES	**4,010**	**-5.6**	**12.3**	**15,990**	**28.4**	**11.91**
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	49.91

[illegible]

RV BUSINESS

VOLUME 43, NUMBER 5 AUGUST 1992

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JEANNE LUNG
ACQ EDITOR
CONGRESSIONAL INFORMATION SV
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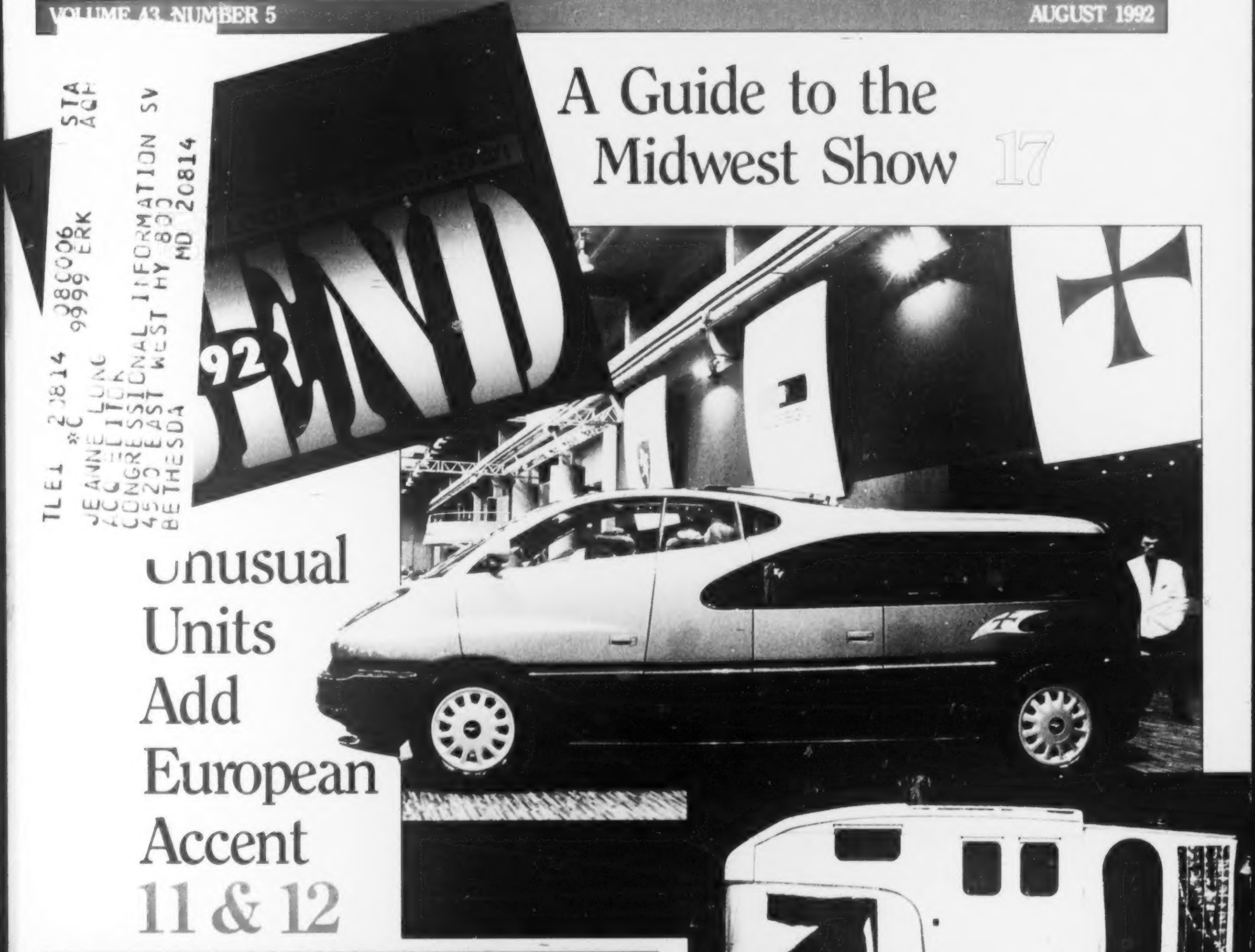
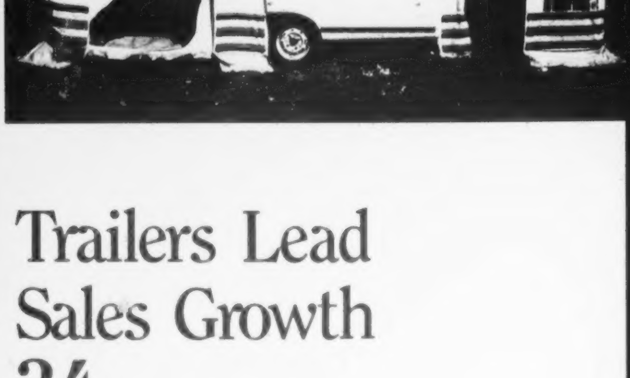
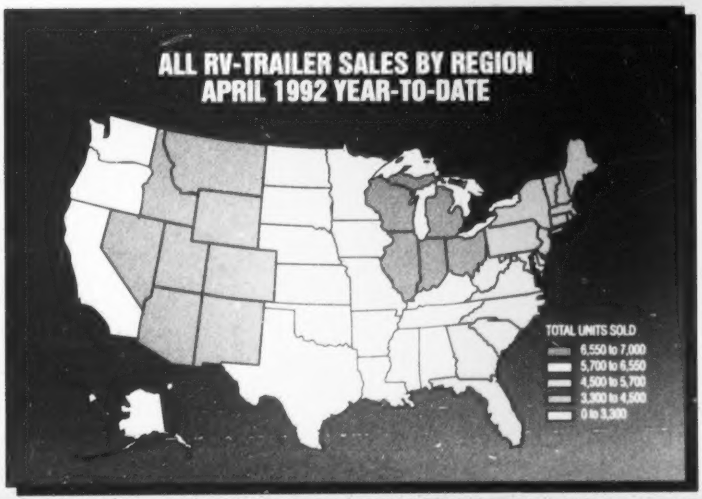
BETHESDA MD 20814

A Guide to the Midwest Show 17



Unusual Units Add European Accent 11 & 12




ALL RV-TRAILER SALES BY REGION
APRIL 1992 YEAR-TO-DATE
TOTAL UNITS SOLD
6,550 to 7,000
5,700 to 6,550
4,500 to 5,700
3,300 to 4,500
0 to 3,300

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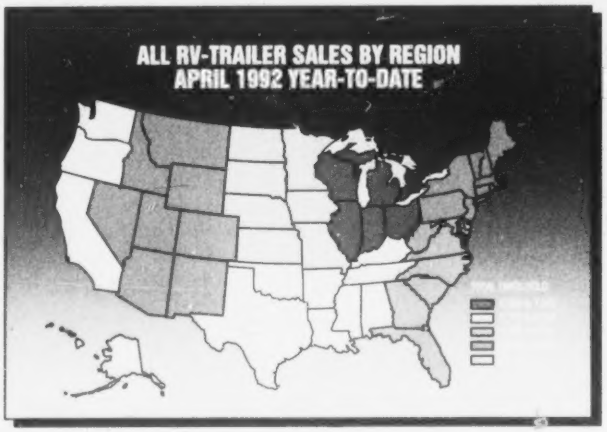
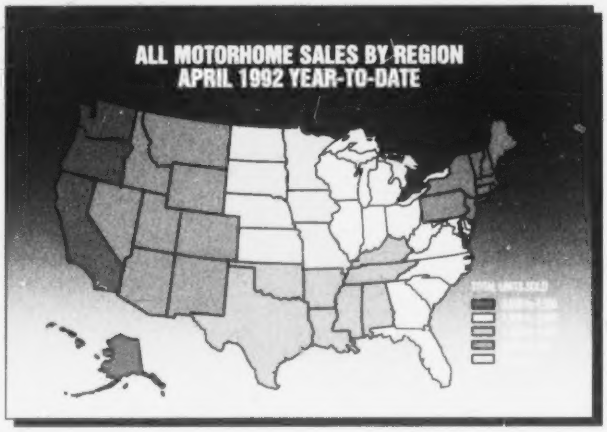
RV Trailers Lead the Growth Path





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April 1992 reports show that the RV industry stayed a step ahead of last year's sales levels. April saw a 22.7% increase in RV-trailer sales from the preceding April (a difference of 2,559 units), while motorhomes bettered their April '91 level by a small 3.4% (131 units). Year-to-date in 1992, RV trailers gained 20.4% compared with the first four months' sales of 1991, and motorhomes logged a smaller gain of 8.9%.

Regional retail sales for April 1992 are reflected in figures 1-4, which rank the seven national regions according to their performances.

While it has been said that RVs are a leading economic indicator, the RV-trailer and motorhome markets did not seem to be pulling in tandem as the industry progressed out of last year's mire. RV-trailer sales generally showed signs of entering the recovery before the motorhome market. However, there were variations between regional markets. For example, the Northeast was the strongest area for motorhomes but the weakest for RV trailers. Perhaps motorhome sales in the strong RV markets were dormant but will quicken their pace later in the year. Although both RV markets were advancing in the first four months of '92, they still face a climb before regaining historical sales levels. ⊿

Thomas Walworth

RV TRAILERS, APRIL '92

Apr. '92 Rank	Region	% of Change from Apr. '91	Mar. '92 Rank
1	Mountain	47.0	2
2	W.N. Central	31.7	3
3	E.N. Central	27.9	4
4	Pacific	22.3	1
5	Northeast	14.2	6
6	S. Central	13.2	5
7	S. Atlantic	12.6	7

Figure 1

RV TRAILERS, YEAR-TO-DATE

Apr. '92 Rank	Region	% of Change Year-to-Date	Mar. '92 Rank
1	Mountain	39.8	2
2	W.N. Central	38.3	1
3	E.N. Central	23.1	3
4	Pacific	17.7	5
5	S. Central	14.8	4
6	S. Atlantic	13.7	6
7	Northeast	12.7	7

Figure 2

MOTORHOMES, APRIL '92

Apr.'92 Rank	Region	% of Change from Apr. '91	Mar.'92 Rank
1	Pacific	9.9	4
2	S. Central	9.1	5
3	Mountain	3.0	3
4	S. Atlantic	-0.2	7
5	W.N. Central	-1.2	1
6	E.N. Central	-4.2	6
7	Northeast	-5.9	2

Figure 3

MOTORHOMES, YEAR-TO-DATE

Apr. '92 Rank	Region	% of Change Year-to-Date	Mar. '92 Rank
1	Northeast	16.7	1
2	Mountain	15.5	2
3	S. Central	14.6	3
4	W.N. Central	10.5	4
5	Pacific	8.2	6
6	E.N. Central	7.1	5
7	S. Atlantic	-1.8	7

Figure 4

COMPUTER GRAPHICS: CAROL HENRY

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics to the RV industry for 30 years. Statistical Surveys is an acknowledged leader in the RV statistical field.

Market Trends

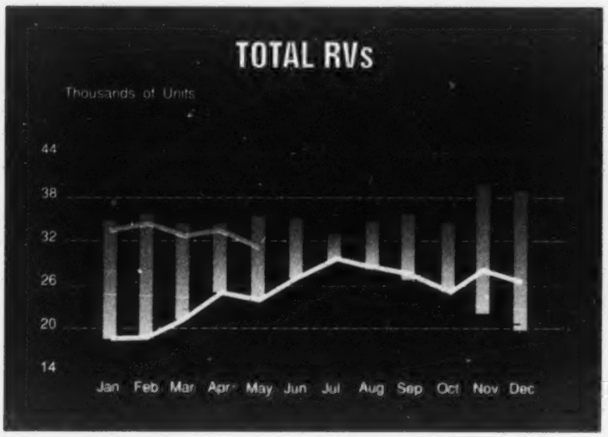

Figure 1

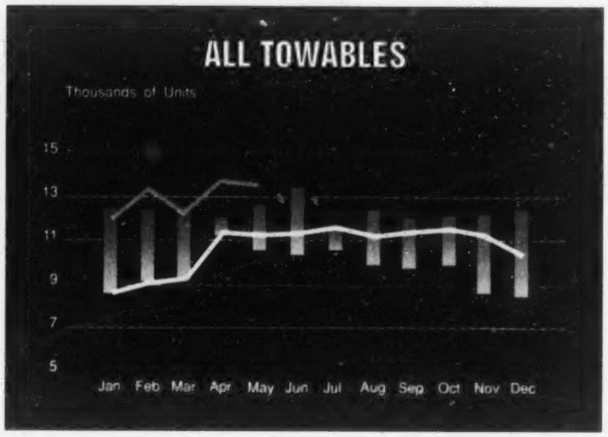

Figure 2

▨ 1988-91 Shipments Range
☐ 1991 Monthly Shipments
▨ 1992 Monthly Shipments

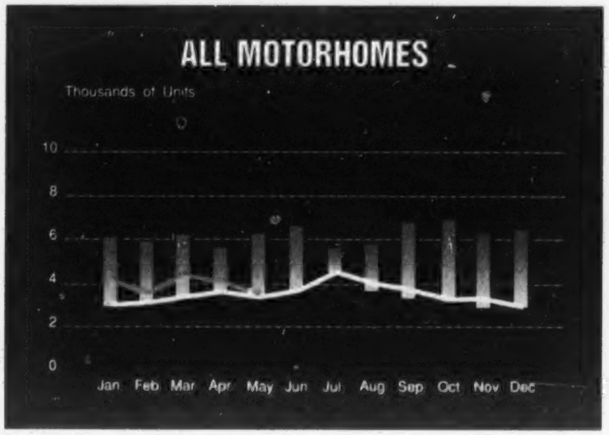

Figure 3

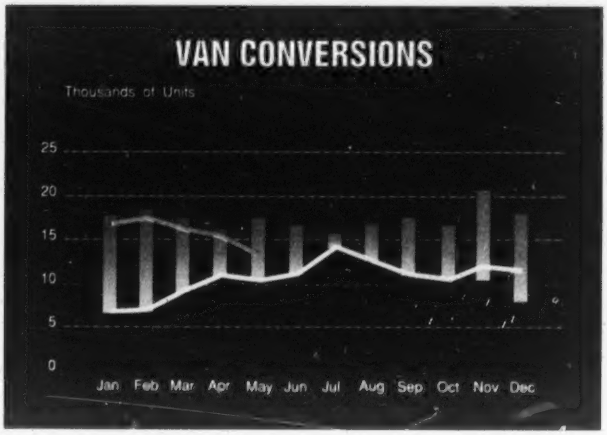

Figure 4

Industry Outpaces '91 Shipments in May

Total RV shipments in May outshone May 1991 by 23%, despite downward drifts from April '92, according to seasonally adjusted RVIA figures. Although towables slipped 9.6% from their April level, they bettered May '91 shipments by 22.7%. Motorhomes were down 10.7% from April, but rose 4.7% from May '91. Despite a 16.4% drop from April, van conversions logged a sizable 29.6% gain—from the preceding May.

An astounding 96.6% increase in total shipments during the first five months of 1992, compared with the same period of '91, demonstrates the continued strengthening of the industry since 1991 hurdles. Van conversions led the RV sectors, passing year-to-date '91 by 141.5%. They were followed by towables, recording a 70.3% jump, and motorhomes, besting '91 by 57.2%. ∆

Statistical data is supplied by Morton J. Marcus, director of the Indiana Business Research Center at Indiana University School of Business and a member of the faculty.

ANNUAL & MONTHLY COMPARISONS OF SHIPMENTS

Type of Units	May '92	% Change From Apr. '92	% Change FromMay '91	Year-to-Date 1992	% Change From '91	% Market Share '92
TOTAL RVs	**30.430**	**-9.6**	**23.0**	**164.750**	**96.6**	**100.00**
Travel Trailers:						
Conventional	4.790	5.7	3.9	23.130	64.3	14.04
Park Models	560	-11.1	-1.8	2.930	49.5	1.78
Fifth-wheels	3.510	17.4	47.5	15.910	97.6	9.66
All Travel Trailers	8.870	8.8	17.3	41.960	74.2	25.47
Folding Trailers	3.890	-16.2	37.9	18.230	67.6	11.07
Truck Campers	870	-17.9	19.2	4.700	50.2	2.85
TOTAL TOWABLES	**13,630**	**-1.6**	**22.7**	**64,890**	**70.3**	**39.39**
Motorhomes:						
Class A	2.030	-6.5	4.6	11.130	62.7	6.76
Class B	230	27.8	-25.8	1.170	-14.6	0.71
Class C						
Minis	1.170	-19.3	6.4	6.470	87.5	3.93
Low-profiles	0	0.0	0.0	0	-100.0	0.00
Micro-minis	150	-28.6	114.3	800	6.7	0.49
Class C Total	1.320	-20.5	12.8	7.270	71.5	4.41
TOTAL MOTORHOMES	**3.580**	**-10.7**	**4.7**	**19.570**	**57.2**	**11.88**
Van Conversions	13.230	-16.4	29.6	80.290	141.5	48.73

COMPUTER GRAPHICS: CAROL HENRY

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VOLUME 43, NUMBER 6 SEPTEMBER 1992

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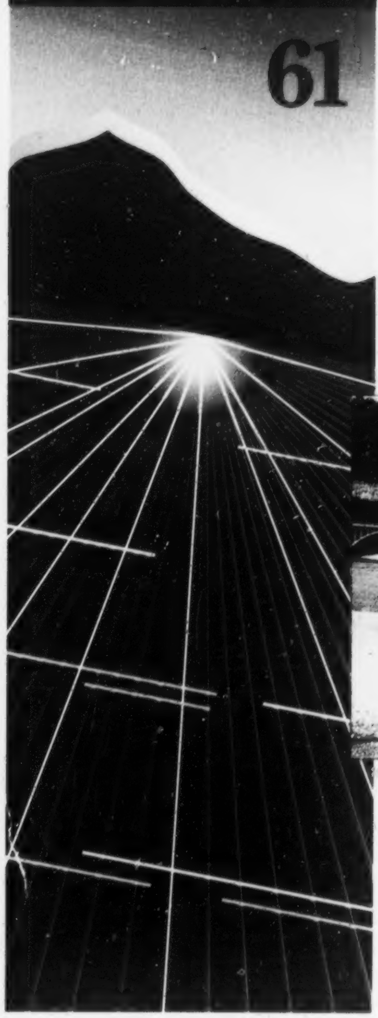
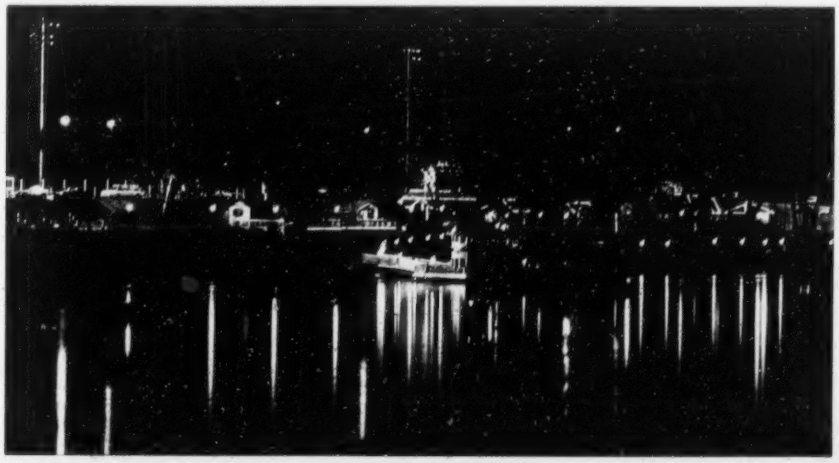


'93 Impact: Winnebago & Jayco 7&9



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COVER: Jayco Designer Series, Winnebago Vectra Class A, City Island, Harrisburg, Penn., photo courtesy of Harrisburg Capital Region Chamber of Commerce; computer illustration by Carol Henry.

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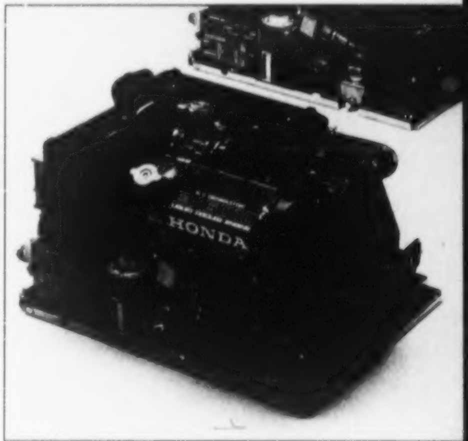

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RV Sales Pace Slows in May

ALL RV-TRAILER SALES BY REGION
MAY 1992 YEAR-TO-DATE

ALL MOTORHOME SALES BY REGION
MAY 1992 YEAR-TO-DATE

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain:** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast:** Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific:** Alaska, California, Oregon, Washington, Hawaii; **South Atlantic:** Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central:** Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

Although a positive trend prevailed in year-to-date retail sales statistics through the first five months of 1992 — as motorhomes held a sales level 3.7% above those of the same period of 1991, and RV-trailer sales accrued a sizable 18% gain over '91 — sales for the month of May '92 were somewhat less encouraging. Motorhomes slipped 11.7% (a difference of 525 units) from May of '91, and RV trailers grew just 11.6% (a 1,437-unit rise) from the preceding May.

Retail sales activity by region for May 1992 can be studied in figures 1-4, which rank the seven national regions according to their percentage changes in performance during the month.

The strong pace exhibited in the earliest months of 1992 may have been attributable to the pent-up demand of buyers who delayed their purchases until world events seemed to settle down. But a cooling of this activity was evident in May sales levels. Compounding this slowing demand was the fact that the two strongest states for the motorhome market (California and Florida, which normally comprise 30% of motorhome sales) were experiencing declines in their state economies during May. In contrast, the RV-trailer market is fortunate in having a more even sales base geographically. Δ — *Thomas Walworth*

RV TRAILERS, MAY '92

May '92 Rank	Region	% of Change from May '91	Apr. '92 Rank
1	Mountain	39.9	1
2	S. Central	25.8	6
3	W.N. Central	14.5	2
4	S. Atlantic	14.0	7
5	E.N. Central	11.7	3
6	Northeast	[illegible]	5
[illegible]	Pacific	[illegible]	4

Figure 1

RV TRAILERS, YEAR-TO-DATE

May '92 Rank	Region	% of Change Year-to-Date	Apr. '92 Rank
1	Mountain	39.5	1
2	W.N. Central	30.3	2
3	E.N. Central	19.5	3
4	S. Central	17.9	5
5	S. Atlantic	13.8	6
6	Pacific	[illegible]	4
[illegible]	Northeast	[illegible]	7

Figure 2

MOTORHOMES, MAY '92

May '92 Rank	Region	% of Change from May '91	Apr. '92 Rank
1	E.N. Central	5.0	6
2	W.N. Central	0.0	5
3	S. Atlantic	-1.8	4
4	Northeast	-6.4	7
5	Mountain	-9.8	3
6	S. Central	[illegible]	[illegible]
[illegible]	Pacific	[illegible]	[illegible]

Figure 3

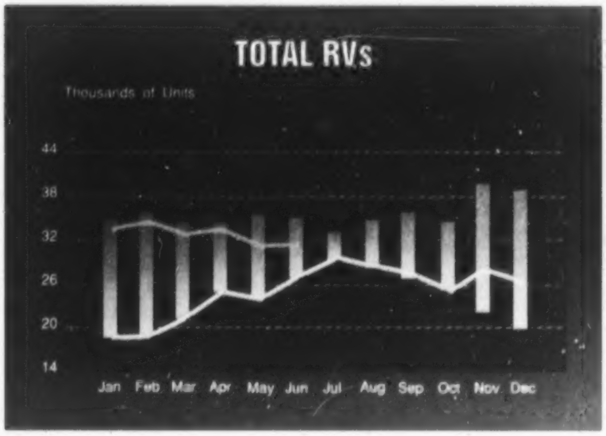
MOTORHOMES, YEAR-TO-DATE

May '92 Rank	Region	% of Change Year-to-Date	Apr. '92 Rank
1	Northeast	10.9	1
2	Mountain	9.0	2
3	W.N. Central	8.5	4
4	E.N. Central	7.4	6
5	S. Central	7.2	3
[illegible]	Pacific	[illegible]	5
[illegible]	S. Atlantic	[illegible]	7

Figure 4

COMPUTER GRAPHICS: CAROL HENRY

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics to the RV industry for 30 years. Statistical Surveys is an acknowledged leader in the RV statistical field.



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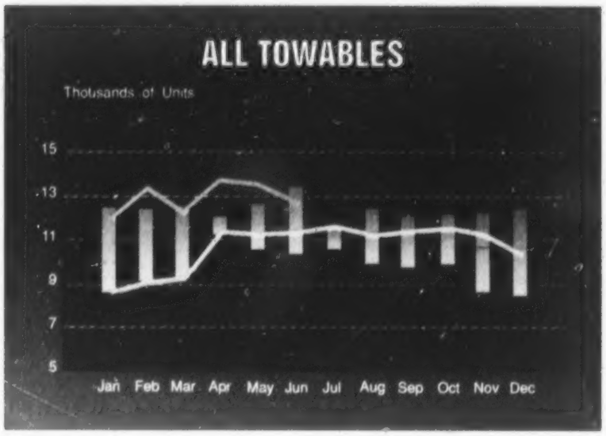
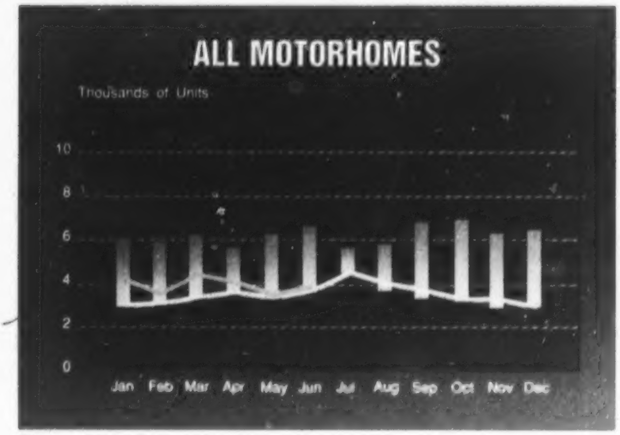


Figure 2

▨ 1988-91 Shipments Range
☐ 1991 Monthly Shipments
▨ 1992 Monthly Shipments



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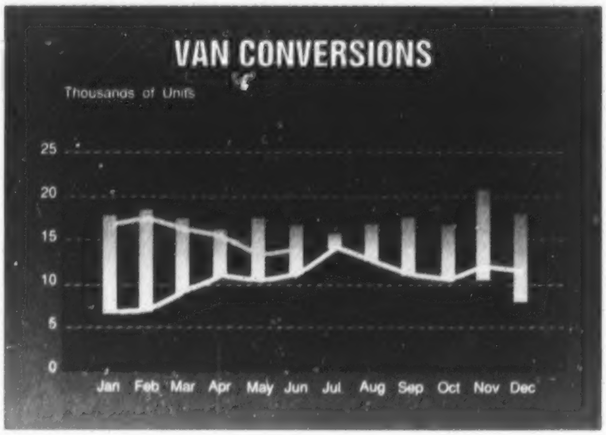

Figure 4

Motorhomes and Vans Boost June Shipments

An 8.9% climb in motorhome shipments during June 1992 and a 3.5% rise in van conversions pushed total RV shipments ahead of May '92 by 0.4%, according to figures reported by RVIA and then seasonally adjusted. Total RV shipments for the month were also 13.6% above those of the preceding June. Motorhomes climbed 0.8% over June '91, and vans benefited from a major 17.4% increase. Towables suffered a 4.9% decline from May '92, although they still rose 14% from the preceding June.

Total RV shipments for the first six months of 1992 blasted past those of the same period of 1991 with an increase of 79.9%, to 195,300 units shipped. Towables also rose 58.2% over the same period of '91. Motorhome shipments, year-to-date, increased by 47.9%, while van conversions improved 116% over last year. ▲

Statistical data is supplied by Morton J. Marcus, director of the Indiana Business Research Center at Indiana University School of Business and a member of the faculty.

ANNUAL & MONTHLY COMPARISONS OF SHIPMENTS

Type of Units	June '92	% Change From May '92	% Change From June '91	Year-to-Date 1992	% Change From '91	% Market Share '92
TOTAL RVs	**30.550**	**0.4**	**13.6**	**195.300**	**79.9**	**100.00**
Travel Trailers						
Conventional	4.940	3.1	11.5	28.060	50.1	14.37
Park Models	710	26.8	-1.4	3.640	43.9	1.86
Fifth-wheels	2.910	-17.1	18.8	18.820	80.4	9.64
All Travel Trailers	8.560	-3.5	12.6	50.520	59.6	25.87
Folding Trailers	3.610	-7.2	18.4	21.840	59.4	11.18
Truck Campers	800	-8.0	11.1	5.500	42.5	2.82
TOTAL TOWABLES	**12.960**	**-4.9**	**14.0**	**77.850**	**58.2**	**39.86**
Motorhomes						
Class A	2.250	10.8	5.1	13.370	52.3	6.85
Class B	230	0.0	-23.3	1.400	-16.7	0.72
Class C						
Minis	1.330	-13.7	7.3	7.800	71.4	3.99
Low-profiles	0	0.0	0.0	0	-100.0	0.00
Micro-minis	90	-40.0	-52.6	890	8.5	0.46
Class C Total	1.430	8.3	0.0	8.700	60.8	4.45
TOTAL MOTORHOMES	**3.900**	**8.9**	**0.8**	**23,470**	**47.9**	**12.02**
Van Conversions	13.690	3.5	17.4	93.980	116.2	48.12

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COMPUTER GRAPHICS: CAROL HENRY

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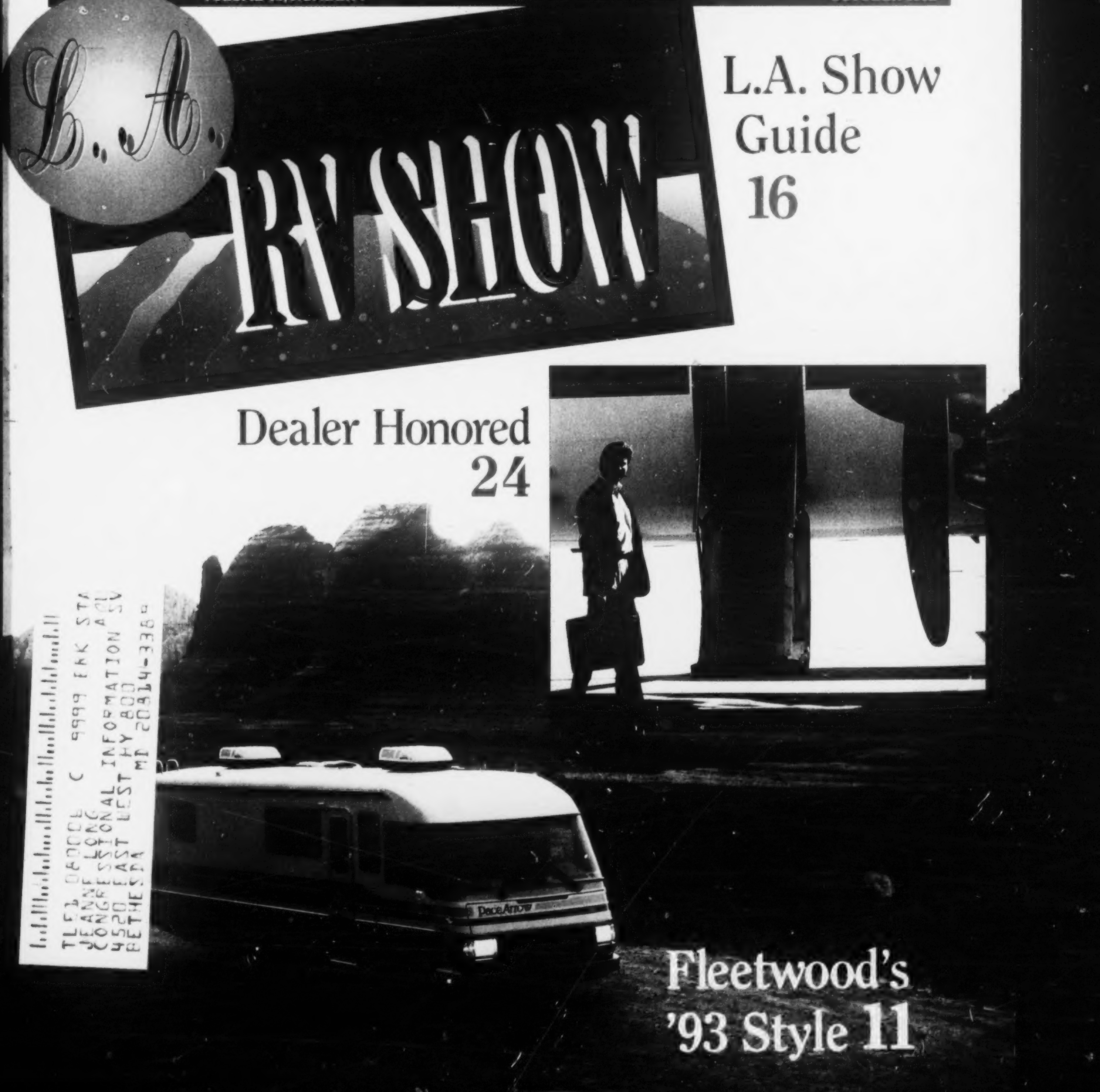

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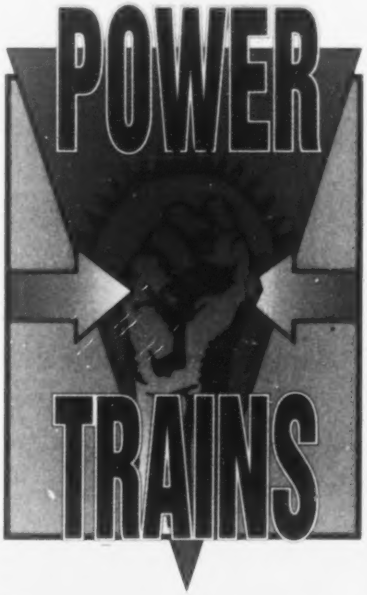

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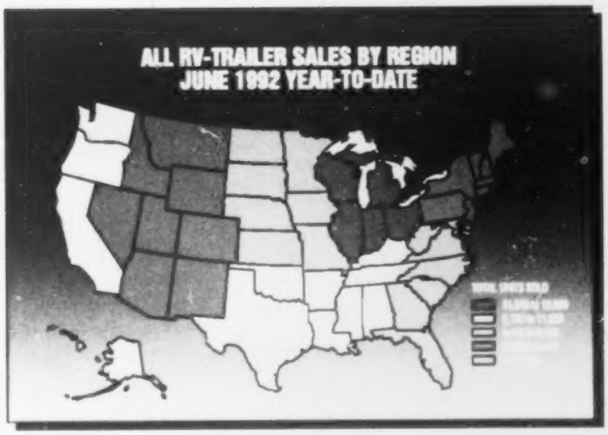
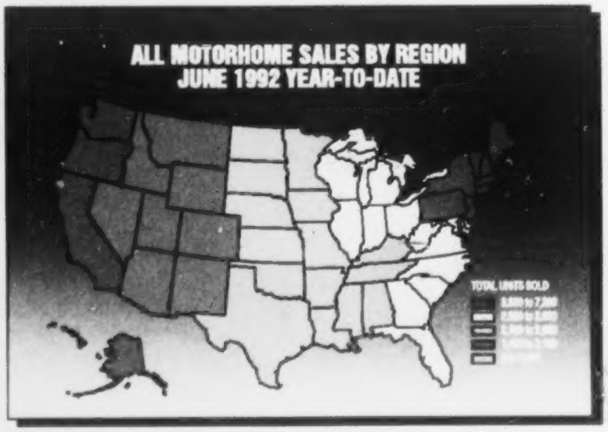
June Delivers Sales Upturn





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The midpoint of 1992 found the RV industry continuing its uneven recovery from the 1991 recession. June brought encouraging reports that motorhome retail sales were up 12.2% compared with the same month of 1991, while RV-trailer sales climbed 19.2% over June of last year.

Retail sales activity for the first six months of 1992 also continued to surpass year-to-date 1991, as motorhomes sales rose by 6.2%, or 1,232 units, and RV trailers outpaced 1991 by 18.7%, equal to 10,263 units. Year-to-date, sales were strongest in the Mountain region, where motorhomes logged their largest gain in Utah and RV trailers excelled in Idaho. Further information on activity by region can be seen in figures 1-4, which rank the seven national regions by their percentage changes in performance in June.

Although the pace of improvement during the first half of 1992 was unsteady, the RV market clearly was moving up out of the depths of 1991. The RV-trailer sector led the industry's growth with sales of lower-priced product, but mid- to higher-priced product lines moved well, too. Conventional Class C's had the strongest showing in the motorhome market, although Class A's did experience an increase in June. Overall, the industry's situation in June provided reason for optimism about the closing half of '92.Δ—*Thomas Walworth*

RV TRAILERS, JUNE '92

June '92 Rank	Region	% of Change from June '91	May '92 Rank
1	S. Central	41.4	2
2	Mountain	29.7	1
3	Northeast	24.8	6
4	E.N. Central	17.1	5
5	Pacific	14.8	7
6	S. Atlantic	8.8	4
7	W.N. Central	-1.5	3

Figure 1

RV TRAILERS, YEAR-TO-DATE

June '92 Rank	Region	% of Change Year-to-Date	May '92 Rank
1	Mountain	37.1	1
2	S.Central	23.0	4
3	W.N. Central	21.4	2
4	E.N. Central	19.0	3
5	Northeast	14.6	7
6	S. Atlantic	12.9	5
7	Pacific	12.0	6

Figure 2

MOTORHOMES, JUNE '92

June '92 Rank	Region	% of Change from June '91	May '92 Rank
1	S. Central	28.8	6
2	S. Atlantic	24.6	3
3	E.N. Central	18.1	1
4	Northeast	8.2	4
5	Pacific	7.3	7
6	Mountain	5.3	5
7	W.N. Central	-6.2	2

Figure 3

MOTORHOMES, YEAR-TO-DATE

June '92 Rank	Region	% of Change Year-to-Date	May '92 Rank
1	Mountain	14.1	2
2	S. Central	11.8	5
3	Northeast	11.5	1
4	E.N. Central	10.1	4
5	W.N. Central	5.5	3
6	S. Atlantic	2.9	7
7	Pacific	.8	6

Figure 4

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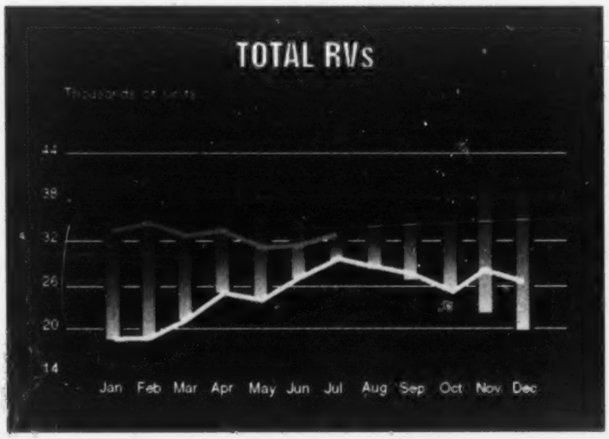


Figure 1

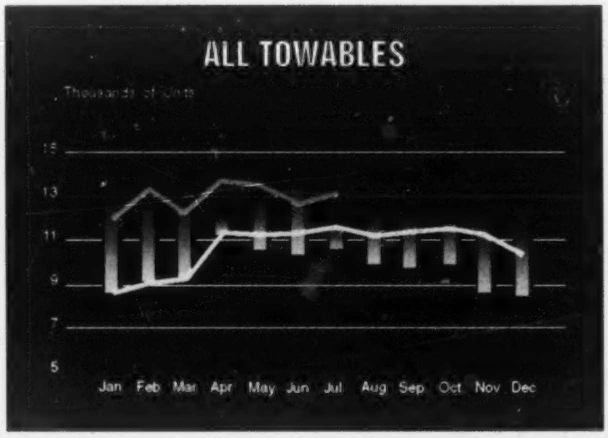
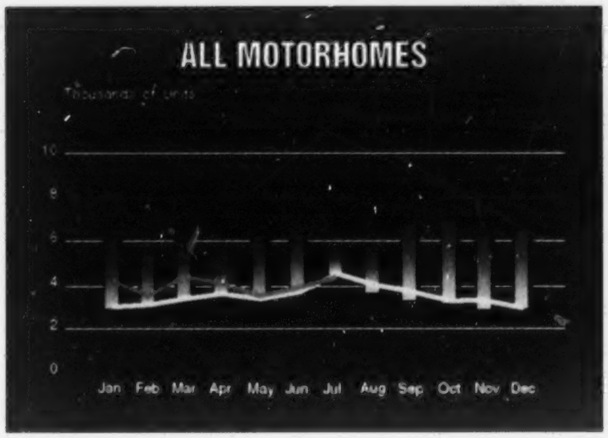


Figure 2

■ 1988-91 Shipments' Range
☐ 1991 Monthly Shipments
▨ 1992 Monthly Shipments



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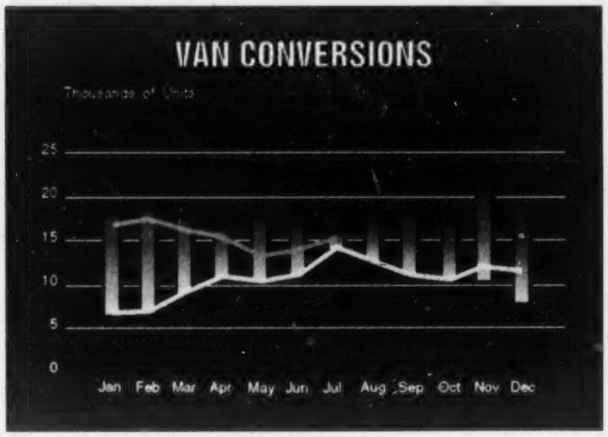

Figure 4

July Shipments Advance Across the Board

Every sector of the RV industry experienced improvement in July, as total RV shipments rose 7.7% (a 2,350-unit increase) from the preceding month and 9.7% (2,920 units) above July 1991, according to figures reported by RVIA and then seasonally adjusted. Van conversions led the field, gaining 11.5% from June, followed by a 9.5% increase in motorhome shipments. Within the major sectors, notable gains from the preceding month were seen in Class B's (39.1%), micro-minis (33.3%) and fifth-wheels (24.7%).

Year-to-date, total shipments enjoyed a phenomenal 38% advance when compared with the same seven months of 1991, led once again by van conversions, which had a rise of 58% from year-to-date '91. Towables achieved a 26.3% increase in shipments from '91, while motorhomes gained 15.3%.

Statistical data is supplied by Morton J. Marcus, director of the Indiana Business Research Center at Indiana University School of Business and a member of the faculty.

ANNUAL & MONTHLY COMPARISONS OF SHIPMENTS

Type of Units	July '92	% Change From June '92	% Change From July '91	Year-to-Date 1992	% Change From '91	% Market Share '92
TOTAL RVs	**32.900**	**7.7**	**9.7**	**228.200**	**38.0**	**100.00**
Travel Trailers:						
Conventional	5,030	1.8	10.1	33,090	19.5	14.50
Park Models	680	-4.2	0.0	4,330	10.2	1.90
Fifth-wheels	3,630	24.7	43.5	22,450	45.7	9.84
All Travel Trailers	9,350	9.2	20.2	59,860	27.3	26.23
Folding Trailers	3,190	-11.6	9.6	25,030	27.3	10.97
Truck Campers	830	3.8	-10.8	6,330	14.9	2.77
TOTAL TOWABLES	**13.370**	**3.2**	**15.1**	**91.220**	**26.3**	**39.97**
Motorhomes:						
Class A	2,520	12.0	13.5	15,890	20.9	6.96
Class B	320	39.1	0.0	1,720	-25.2	0.75
Class C						
Minis & Low-profiles	1,310	-1.5	0.0	9,120	28.5	4.00
Micro-minis	120	33.3	-50.0	1,010	-19.2	0.44
Class C Total	1,430	0.0	-20.1	10,130	17.4	4.44
TOTAL MOTORHOMES	**4.270**	**9.5**	**-1.4**	**27.750**	**15.3**	**12.16**
Van Conversions	15,260	11.5	8.8	109,230	58.0	47.87

Note: Data rounded to nearest 10 units; columns may not add to total because of rounding.

COMPUTER GRAPHICS: CAROL HENRY